Report of Audit

on the

Financial Statements
and Supplementary Schedules

of the

Township of Manchester

in the

County of Ocean
New Jersey

for the

Year Ended
December 31, 2025

TOWNSHIP OF MANCHESTER

INDEX

TOWNSHIP OF MANCHESTER

INDEX (CONTINUED)

TOWNSHIP OF MANCHESTER

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules – All Funds (Continued)

Current Fund (Continued:

Trust Fund:

General Capital Fund:

EXHIBITS

Supplementary Schedules – All Funds (Continued)

Water Eastern Service Utility Fund:

Sewer Eastern Service Utility Fund:

TOWNSHIP OF MANCHESTER

INDEX (CONTINUED)

TOWNSHIP OF MANCHESTER

INDEX (CONTINUED)

TOWNSHIP OF MANCHESTER

PART I

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2025

SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
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Telephone 908-789-9300 Fax 908-789-8535
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Manchester
County of Ocean
Manchester, New Jersey 08759

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account groups of the Township of Manchester (the "Township"), as of and for the year ended December 31, 2025, the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account groups of the Township as of December 31, 2025, or the results of its operations and changes in fund balance for the year then ended or the revenues or expenditures for the year ended December 31, 2025.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account groups of the Township as of December 31, 2025, the results of its operations and changes in fund balance for the year then ended and the revenues and expenditures for the year ended December 31, 2025 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, State of New Jersey OMB Circular 25-12 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, *Government Auditing Standards* and audit requirements prescribed by the Division 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, *Government Auditing Standards,* State of New Jersey OMB Circular 25-12 and audit requirements prescribed by the Division, 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 Township'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 Township'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information, schedule of expenditures of state financial assistance and data listed in the table of contents as required by the Division and New Jersey OMB Circular 25-12, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" 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 auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division and New Jersey OMB Circular 25-12, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Prior Period Financial Statements

The financial statements of the Township as of December 31, 2024, were audited by other auditors whose report dated September 15, 2025, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United State of America and an unmodified opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2026 on our consideration of the Township'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 Township'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 Township's internal control over financial reporting and compliance.

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W. Swisher

REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 31, 2026

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CURRENT FUND

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SHEET #1

TOWNSHIP OF MANCHESTER

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Current Fund:			
Cash and Cash Equivalents	A-4	$ 6,755,095.50	$ 7,829,187.41
Change Fund	A-5	2,705.00	1,865.00
Due from State of New Jersey (Ch. 20, P.L. 1971)	A-6	354,603.99	354,401.95
		7,112,404.49	8,185,454.36
Receivables with Full Reserves:			
Taxes Receivable	A-7	1,305,966.62	937,922.21
Tax Title Liens Receivable	A-8	55,830.03	59,323.97
Property Acquired for Taxes at Assessed Valuation	A-9	11,521,941.64	11,521,941.64
Revenue Accounts Receivable	A-10	16,830.72	12,752.50
Interfunds Receivable	A-18	69,141.03	1,565.31
		12,969,710.04	12,533,505.63
Deferred Charges:			
Emergency Authorizations (40A:4-47)	A-11	575,000.00	
Overexpenditure of Appropriations	A-11	411,183.79	
Special Emergency Authorizations (40A:4-55)	A-11	510,000.00	680,000.00
		1,496,183.79	680,000.00
		21,578,298.32	21,398,959.99
Federal and State Grant Fund:			
Interfunds Receivable	A-24	665,383.02	1,338,622.07
Grants Receivable	A-25	1,602,817.99	2,126,778.22
		2,268,201.01	3,465,400.29
		$ 23,846,499.33	$ 24,864,360.28

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Current Fund:			
Appropriation Reserves	A-3:A-12	$ 298,112.94	$ 998,379.01
Due to State of New Jersey - Other	A-13	11,156.00	19,981.00
Tax Overpayments	A-14	111,160.21	53,068.09
Prepaid Taxes	A-15	992,321.24	868,726.56
County Taxes Payable	A-16	237,752.63	71,046.05
Local District School Tax Payable	A-17	1,047,112.00	
Interfunds Payable	A-18	1,768,770.92	1,826,873.65
Accounts Payable	A-19	26,920.52	6,204.94
Reserve for:			
Encumbrances	A-20	504,005.29	372,299.21
Revaluation	A-21	64,107.19	350,448.34
Tax Appeals	A-22	139,284.96	139,284.96
Emergency Note Payable	A-23	510,000.00	680,000.00
		5,710,703.90	5,386,311.81
Reserve for Receivables		12,969,710.04	12,533,505.63
Fund Balance	A-1	2,897,884.38	3,479,142.55
		21,578,298.32	21,398,959.99
Federal and State Grant Fund:			
Reserve for Encumbrances	A-20	527,899.91	479,098.69
Grants - Appropriated	A-26	1,629,091.41	2,922,330.59
Grants - Unappropriated	A-27	111,209.69	63,971.01
		2,268,201.01	3,465,400.29
		$ 23,846,499.33	$ 24,864,360.28

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED 2025	YEAR ENDED 2024
REVENUE AND OTHER INCOME			
Fund Balance Utilized	A-2	$ 3,100,000.00	$ 3,400,000.00
Miscellaneous Revenue Anticipated	A-2	17,004,889.65	18,562,048.56
Receipts from Delinquent Taxes	A-2	964,720.23	1,012,170.46
Receipts from Current Taxes	A-2	111,666,939.59	103,670,798.42
Non-Budget Revenues	A-2	620,730.12	424,695.55
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	747,805.31	841,026.82
Canceled Tax Overpayments	A-14	142,515.94	
Total Income		134,247,600.84	127,910,739.81
EXPENDITURES			
Budget Appropriations:			
Salaries and Wages		23,478,350.00	22,218,200.00
Other Expenses		15,178,137.76	15,504,453.23
Capital Improvements		500,000.00	100,000.00
Municipal Debt Service		3,574,387.74	3,179,755.37
Deferred Charges and Statutory Expenditures		7,145,394.00	7,109,241.63
	A-3	49,876,269.50	48,111,650.23
Municipal Open Space Preservation	A-7	770,737.79	426,181.00
County Taxes	A-16	24,856,786.19	22,269,577.18
Added Taxes Due County	A-16	237,752.63	71,046.05
Local District School Taxes	A-17	56,754,518.00	54,471,723.00
Interfund Advances	A-18	67,575.72	1,565.31
Refund of Prior Year Revenue	A-4	73,842.96	25,776.71
Senior Citizen/Veteran Deductions - Disallowed			
Prior Year Taxes	A-7	77,560.01	
Total Expenditures		132,715,042.80	125,377,519.48
Excess/(Deficit) in Revenue		1,532,558.04	2,533,220.33
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years	A	986,183.79	
Regulatory Excess to Fund Balance		2,518,741.83	1,716,503.80
Fund Balance January 1	A	3,479,142.55	4,345,922.22
		5,997,884.38	6,879,142.55
Decreased by:			
Utilized as Anticipated Revenue	A-1	3,100,000.00	3,400,000.00
Fund Balance December 31	A	$ 2,897,884.38	$ 3,479,142.55

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

		ANTICIPATED			
	REF.	BUDGET	SPECIAL N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	$ 3,100,000.00	$	$ 3,100,000.00	$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	35,000.00		32,750.00	(2,250.00)
Other	A-10	15,000.00		16,107.00	1,107.00
Fees and Permits	A-10	925,000.00		896,153.25	(28,846.75)
Fines and Costs - Municipal Court	A-10	190,000.00		228,085.56	38,085.56
Interest and Costs on Taxes	A-10	150,000.00		245,131.12	95,131.12
Interest on Investments and Deposits	A-10	425,000.00		393,751.18	(31,248.82)
Anticipated Utility Operating Surplus	A-10	2,000,000.00		2,000,000.00	
General Capital Surplus	A-10	100,000.00		100,000.00	
Energy Receipts Tax	A-10	3,094,708.00		3,094,708.04	0.04
Garden State Trust	A-10	196,078.00		196,078.00	
Uniform Construction Code Fees	A-10	1,375,000.00		995,510.00	(379,490.00)
Shared Services Agreements:					
Lakehurst Court	A-10	50,000.00		56,000.00	6,000.00
Plumsted Court	A-10	50,000.00		50,000.00	
Plumsted Information Technology	A-10	20,000.00		25,915.00	5,915.00
Plumsted Tax Assessor	A-10	80,000.00		80,000.00	
EMS Revenues	A-10	3,850,000.00		4,207,719.90	357,719.90
Uniform Fire Safety Act	A-10	30,000.00		34,585.55	4,585.55
Tower Rental	A-10	170,000.00		205,099.34	35,099.34
Hotel Tax	A-10	35,000.00		42,044.64	7,044.64
Reimbursement for In-Kind Facilities & Security Services	A-10	743,336.00		743,336.00	
Beckerville Pilot	A-10	60,000.00		88,653.14	28,653.14
Manchester Presbyterian Pilot	A-10	40,000.00		65,659.70	25,659.70
Manchester Senior Housing Pilot	A-10	35,000.00		75,433.95	40,433.95
Manchester Whiting Senior Housing Pilot	A-10	70,000.00		18,029.15	(51,970.85)
Whiting Storage Urban Renewal Pilot	A-10	45,000.00		80,235.14	35,235.14
Cable TV Franchise Fees	A-10	300,000.00		332,404.33	32,404.33
Land Sale	A-10	200,000.00		648,962.16	448,962.16
Host Community Benefits	A-10	1,147,622.00		1,147,622.58	0.58
Municipal Alliance 2025	A-24	11,578.25		11,578.25	
Senior Outreach Grant	A-24	173,000.00	183,000.00	356,000.00	
Recycling Tonnage Grant	A-24	38,268.29		38,268.29	
Federal Opioid Settlement	A-24	16,263.04		16,263.04	
LEAP Grant	A-24		150,000.00	150,000.00	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

		ANTICIPATED			
	REF.	BUDGET	SPECIAL N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Clean Energy Grant	A-24	$	$ 7,500.00	$ 7,500.00	$
Clean Communities Grant	A-24		141,852.20	141,852.20	
Bulletproof Vest Partnership Grant	A-24		9,333.14	9,333.14	
Sustained Enforcement Grant	A-24	43,120.00	111,000.00	154,120.00	
Spotted Lanternfly Grant	A-24		20,000.00	20,000.00	
	A-1	15,713,973.58	622,685.34	17,004,889.65	668,230.73
Receipts from Delinquent Taxes	A-1:A-2	925,000.00		964,720.23	39,720.23
Amount to be Raised by Taxation for Support of Municipal Budget	A-2	29,709,393.49		30,227,733.42	518,339.93
Budget Totals		49,448,367.07	622,685.34	51,297,343.30	1,226,290.89
Non-Budget Revenues	A-1.A-2			620,730.12	620,730.12
		$ 49,448,367.07	$ 622,685.34	$ 51,918,073.42	$ 1,847,021.01
	REF.	A-3	A-3		

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	REF.		
ANALYSIS OF REALIZED REVENUE			
Current Tax Collections	A-1:A-7	$	111,666,939.59
Appropriation "Reserve for Uncollected Taxes"	A-3		1,180,588.44
			112,847,528.03
Less: Allocated to School, County and Municipal Open Space Taxes	A-7		82,619,794.61
	A-2	$	30,227,733.42
RECEIPTS FROM DELINQUENT TAXES			
Delinquent Tax Collections	A-7	$	948,238.76
Overpayments Applied	A-8		16,481.47
	A-1:A-2	$	964,720.23
MISCELLANEOUS REVENUES			
Revenue Accounts Receivable	A-10	$	16,099,974.73
Interfund - Federal and State Grant Fund	A-24		904,914.92
	A-1:A-2	$	17,004,889.65
ANALYSIS OF NON-BUDGET REVENUE			
Amerigas		$	1,200.00
Seminar Reimb.			550.00
Off Duty Admin			65,786.85
Bank Credit			.50
Bus Stop Sign			285.30
Cert. Occupancy			125.00
Charging Station			455.43
Clerk Copies			992.67
Clothing Bin			660.00
Core Refund			700.00
Open Sp. DS			420,163.29
EACR Recyc.			450.00
EDRS			350.00
Golf Cart Damage			12,865.60
GOV Deals			16,215.00
Polling Place			200.00
Energy Aggregation			16,550.00
No Knock			3.00
County Recycling			19,271.63
Collector Misc			710.00
Land Use			17,663.28
LGCC			1,160.00
Cert. Copy			1,230.00
CPO List			325.75
Payment Window			12,023.78
NSF			1,120.00
Lakehurst Animal			5,673.73
Qual Lynx			2,489.40
SC/Vet Admin			21,018.92
Void Check			300.00
	A-4		620,539.13
Statutory Excess in Animal Control Reserve	A-18		190.99
	A-1:A-2	$	620,730.12

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

OPERATIONS WITHIN CAPS	APPROPRIATED BUDGET	APPROPRIATED BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED ENCUMBERED	EXPENDED RESERVED	UNEXPENDED BALANCE CANCELED	OVER-EXPENDED
Division of Administration:							
Salaries and Wages	$ 189,000.00	$ 183,000.00	$ 183,000.00	$	$	$	$
Other Expenses	303,400.00	281,400.00	271,514.63	8,858.53	1,026.84		
Office of Mayor & Council:							
Salaries and Wages	64,000.00	64,000.00	63,684.67		315.33		
Other Expenses	5,000.00	5,000.00	873.91	3,472.97	653.12		
Office of the Clerk:							
Salaries and Wages	186,100.00	178,500.00	177,911.34		588.66		
Other Expenses	95,344.05	95,344.05	90,691.79	2,982.04	1,670.22		
Division of Finance Administration:							
Salaries and Wages	310,000.00	290,000.00	290,000.00				
Other Expenses	42,000.00	43,900.00	39,650.74	2,983.90	1,265.36		
Municipal Audit:							
Other Expenses	42,000.00	42,000.00		42,000.00			
Division of Data Processing:							
Salaries and Wages	195,000.00	177,000.00	176,999.97		.03		
Other Expenses	109,500.00	109,500.00	106,384.90	2,679.29	435.81		
Division of Revenue Collection:							
Salaries and Wages	255,000.00	238,400.00	238,317.55		82.45		
Other Expenses	35,600.00	31,300.00	29,042.28	1,132.24	1,125.48		
Office of the Tax Assessor:							
Salaries and Wages	480,000.00	453,600.00	453,550.44		49.56		
Other Expenses	30,050.00	30,050.00	24,990.68	4,835.37	223.95		
Township Attorney:							
Other Expenses	415,000.00	345,000.00	294,897.99	28,313.30	21,788.71		
Township Engineer:							
Other Expenses	225,000.00	210,000.00	197,127.01	10,962.50	1,910.49		
Division of Planning & Zoning:							
Salaries and Wages	325,000.00	325,000.00	324,507.43		492.57		
Other Expenses	22,000.00	23,000.00	19,691.46	3,211.60	96.94		
Insurance:							
General Liability	862,550.00	862,550.00	862,550.00				
Worker's Compensation	1,097,100.00	1,132,200.00	1,132,116.00		84.00		
Employee Group Health	4,521,660.00	4,771,660.00	5,174,009.95	3,372.19			405,722.14
Employee Opt Out Payments	140,000.00	140,000.00	145,461.65				5,461.65
Police Department:							
Salaries and Wages	11,582,000.00	11,806,600.00	11,742,984.18		63,615.82		
Other Expenses	643,500.00	643,500.00	580,283.20	61,374.86	1,841.94		
Division of Clerical & Communications:							
Salaries and Wages	1,432,000.00	1,527,000.00	1,515,860.67		11,139.33		
Aid to 3 Volunteer Fire Companies:							
Other Expenses	152,000.00	152,000.00	85,852.64	32,211.84	33,935.52		
Municipal Prosecutor:							
Other Expenses	50,000.00	50,000.00	46,550.00	3,450.00			
Division of Administration & Streets:							
Salaries and Wages	1,964,500.00	1,792,500.00	1,792,500.00				
Other Expenses	295,000.00	269,100.00	231,022.63	38,061.28	16.09		
Division of Sanitation and Recycling							
Salaries and Wages	151,000.00	151,000.00	151,000.00				
Other Expenses	1,087,975.00	1,087,975.00	1,080,276.16	7,560.19	138.65		
Division of Building and Grounds.							
Salaries and Wages	181,500.00	166,500.00	166,500.00				

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

OPERATIONS WITHIN CAPS	APPROPRIATED BUDGET	APPROPRIATED BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED ENCUMBERED	EXPENDED RESERVED	UNEXPENDED BALANCE CANCELED	OVER-EXPENDED
Division of Building and Grounds (Continued):							
Other Expenses	$ 154,500.00	$ 154,500.00	$ 121,263.01	$ 33,176.53	$ 60.46	$	$
Division of Central Maintenance:							
Salaries and Wages	236,000.00	277,600.00	277,154.29		445.71		
Other Expenses	400,000.00	442,000.00	388,994.16	50,622.68	2,383.16		
Condominium Services Act:							
Other Expenses	300,000.00	290,500.00	260,782.66	29,348.33	369.01		
Environmental Commission:							
Other Expenses	1,600.00	1,600.00			1,600.00		
Division of Animal Control:							
Salaries and Wages	140,500.00	133,500.00	131,421.74		2,078.26		
Other Expenses	35,500.00	35,500.00	30,652.77	2,885.39	1,961.84		
Department of Recreation:							
Salaries and Wages	550,000.00	585,000.00	584,488.80		511.20		
Other Expenses	121,475.00	113,475.00	101,883.79	6,009.83	5,581.38		
Division of Lakes, Parks & Playgrounds:							
Salaries and Wages	75,000.00	20,500.00	20,443.17		56.83		
Other Expenses	51,500.00	6,500.00	50.17	1,086.45	5,363.38		
Veterans Advisory Committee:							
Other Expenses	2,000.00	2,000.00	933.05		1,066.95		
Municipal Court:							
Salaries and Wages	381,550.00	468,550.00	467,663.34		886.66		
Other Expenses	29,000.00	21,000.00	17,989.69	1,420.90	1,589.41		
Public Defender:							
Other Expenses	38,000.00	30,500.00	27,672.00	445.00	2,383.00		
Construction Official:							
Salaries and Wages	860,000.00	814,100.00	812,989.35		1,110.65		
Other Expenses	115,520.00	80,520.00	74,908.17	4,457.24	1,154.59		
Unclassified:							
Accumulated Leave Compensation	200,000.00						
Electricity	340,000.00	340,000.00	329,676.17	10,323.83			
Street Lighting	75,000.00	125,000.00	70,483.00	54,087.93	429.07		
Telephone	310,000.00	280,000.00	263,412.98	13,698.64	2,888.38		
Natural Gas	55,000.00	61,000.00	60,087.27	772.49	140.24		
Heating Oil	25,000.00	25,000.00	16,680.47	6,563.06	1,756.47		
Gasoline	450,000.00	450,000.00	433,449.79	9,803.23	6,746.98		
Total Operations Including Contingent - within "CAPS"	$ 32,436,924.05	$ 32,436,924.05	$ 32,182,883.71	$ 482,163.63	$ 183,060.50	$	$ 411,183.79
Detail:							
Salaries and Wages	19,758,150.00	19,652,350.00	19,570,976.94		81,373.06		
Other Expenses	12,678,774.05	12,784,574.05	12,611,906.77	482,163.63	101,687.44		411,183.79

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	APPROPRIATED		EXPENDED				
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED	OVER-EXPENDED
OPERATIONS WITHIN CAPS							
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
WITHIN CAPS							
Statutory Expenditures:							
Contribution to:							
Public Employees Retirement System	$ 1,620,682.00	$ 1,620,682.00	$ 1,620,681.62	$	$ .38	$	$
Social Security System (O.A.S.I.)	1,775,000.00	1,775,000.00	1,750,833.49		24,166.51		
Police and Firemen's Retirement System of NJ	3,509,712.00	3,509,712.00	3,509,712.00				
Defined Contribution Retirement Program	15,000.00	15,000.00	7,347.63		7,652.37		
Unemployment and Disability Insurance	5,000.00	5,000.00	5,000.00				
Total Deferred Charges and Statutory Expenditures within Caps	6,925,394.00	6,925,394.00	6,893,574.74		31,819.26		
Total Appropriations within Caps	39,362,318.05	39,362,318.05	39,076,458.45	482,163.63	214,879.76		411,183.79
OPERATIONS EXCLUDED FROM CAPS							
Insurance							
Employee Group Health	438,340.00	438,340.00	438,340.00				
Recycling Contract	9,125.00	9,125.00	9,125.00				
Length of Service Award Program	65,000.00	65,000.00			65,000.00		
Interlocal Municipal Service Agreements:							
Shared Services Agreements:							
Lakehurst Court	50,000.00	50,000.00	50,000.00				
Plumsted Court	50,000.00	50,000.00	50,000.00				
Plumsted IT	20,000.00	20,000.00	20,000.00				
Plumsted Assessor	80,000.00	80,000.00	80,000.00				
Division of Emergency Management:							
EMS:							
Salaries and Wages	2,611,000.00	3,186,000.00	3,186,000.00				
Other Expenses	550,000.00	550,000.00	519,925.16	21,841.66	8,233.18		
Matching Funds for Grants	10,000.00	10,000.00			10,000.00		
Municipal Alliance 2025:							
Grant Portion	11,578.25	11,578.25	11,578.25				
Local Match Portion	5,000.00	5,000.00	5,000.00				
Senior Outreach Grant:							
County Portion	173,000.00	356,000.00	356,000.00				
Local Match Portion	440,000.00	440,000.00	440,000.00				
Recycling Tonnage Grant	38,269.29	38,269.29	38,268.29			1.00	
Federal Opioid Settlement	16,263.04	16,263.04	16,263.04				
LEAP Grant		150,000.00	150,000.00				
Clean Energy Grant		7,500.00	7,500.00				
Clean Communities Grant		141,852.20	141,852.20				
Bulletproof Vest Partnership Grant		9,333.14	9,333.14				
Sustained Enforcement Grant	43,120.00	154,120.00	154,120.00				
Spotted Lanternfly Grant		20,000.00	20,000.00				
Total Operations Excluded from "CAPS"	$ 4,610,695.58	$ 5,808,380.92	$ 5,703,305.08	$ 21,841.66	$ 83,233.18	$ 1.00	$
Detail:							
Salaries and Wages	3,251,000.00	3,826,000.00	3,826,000.00				
Other Expenses	1,359,695.58	1,982,380.92	1,877,305.08	21,841.66	83,233.18	1.00	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	APPROPRIATED		EXPENDED			UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELED	OVER-EXPENDED
CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS							
Capital Improvement Fund	$ 500,000.00	$ 500,000.00	$ 500,000.00	$	$	$	$
Total Capital Improvements excluded from Caps	500,000.00	500,000.00	500,000.00				
MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS							
Payment of Bond Principal	2,575,000.00	2,575,000.00	2,575,000.00				
Payment of Bond Anticipation Notes and Capital Notes	161,000.00	161,000.00	161,000.00				
Interest on Bonds	328,085.00	328,085.00	328,084.39			0.61	
Interest on Notes	475,012.00	475,012.00	475,011.18			0.82	
Green Trust Loan Program:							
Loan Repayments for Principal & Interest	35,668.00	35,668.00	35,292.17			375.83	
Total Municipal Debt Service excluded from Caps	3,574,765.00	3,574,765.00	3,574,387.74			377.26	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS							
DEFERRED CHARGES:							
Special Emergency Authorization - 5 Years (N.J.S.A. 40A:4-55)	170,000.00	170,000.00	170,000.00				
Cost of Improvements Authorized - Ordinance 16-004/16-035	50,000.00	50,000.00	50,000.00				
Total Deferred Charges - Municipal excluded from Caps	220,000.00	220,000.00	220,000.00				
Total General Appropriations excluded from Caps	8,905,460.58	10,103,145.92	9,997,692.82	21,841.66	83,233.18	378.26	
Subtotal General Appropriations	48,267,778.63	49,465,463.97	49,074,151.27	504,005.29	298,112.94	378.26	411,183.79
Reserve for Uncollected Taxes	1,180,588.44	1,180,588.44	1,180,588.44				
	$ 49,448,367.07	$ 50,646,052.41	$ 50,254,739.71	$ 504,005.29	$ 298,112.94	$ 378.26	$ 411,183.79
REF.	A-2		A1	A-1:A20	A, A-1		A-11

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	REF.	BUDGET AFTER MODIFICATION
Emergency Appropriation by 40A:4-47	A-11	$ 575,000.00
Appropriation by 40A:4-87	A-2	622,685.34
Budget	A-3	49,448,367.07
		$ 50,646,052.41

	REF.	EXPENDED PAID OR CHARGED
Reserve for Uncollected Taxes	A-2	$ 1,180,588.44
Disbursements	A-4	47,554,236.35
Deferred Charges	A-11	170,000.00
Interfund - Federal and State Grant Fund	A-18:A-24	1,349,914.92
		$ 50,254,739.71

The accompanying Notes to Financial Statements are an integral part of this statement.

TRUST FUND

TOWNSHIP OF MANCHESTER

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

ASSETS	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Animal Control Trust Fund:			
Cash and Cash Equivalents	B-1	$ 66,378.90	$ 58,480.11
Trust - Other:			
Cash and Cash Equivalents	B-1	3,609,743.51	3,292,092.19
Interfunds Receivable	B-6		99,874.86
		3,609,743.51	3,391,967.05
Trust - Open Space:			
Cash and Cash Equivalents	B-1	1,252,906.34	1,371,632.19
Due from Community Development Block Grant	B-5		30,780.00
Interfund Receivable	B-6	30,780.00	
		1,283,686.34	1,402,412.19
Trust - Community Development Block Grant			
Interfund Receivable	B-6		30,780.00
		$ 4,959,808.75	$ 4,883,639.35

LIABILITIES, RESERVES AND FUND BALANCES	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	B-2	$ 31,597.20	$ 31,622.80
Due State of New Jersey	B-3	320.40	215.40
Prepaid Licenses	B-4	32,705.00	25,076.60
Interfunds Payable	B-6	1,756.30	1,565.31
		66,378.90	58,480.11
Trust - Other:			
Interfunds Payable	B-6	67,384.73	
Reserve for Encumbrances	B-7	177,954.54	
Miscellaneous Reserves	B-8	3,364,404.24	3,391,967.05
		3,609,743.51	3,391,967.05
Trust - Open Space:			
Interfunds Payable	B-6	60,000.00	
Reserve for Encumbrances	B-7	88,755.18	
Reserve for Open Space Trust Fund Expenditures	B-9	1,134,931.16	1,402,412.19
		1,283,686.34	1,402,412.19
Trust - Community Development Block Grant			
Interfund Payable	B-6		30,780.00
		$ 4,959,808.75	$ 4,883,639.35

The accompanying Notes to Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Cash and Cash Equivalents	C-2	$ 2,923,860.84	$ 10,245,758.10
Deferred Charges to Future Taxation:			
Funded	C-4	10,057,948.07	12,664,113.03
Unfunded	C-5	27,058,040.55	15,781,315.55
Grants Receivable	C-6	96,815.15	
Interfunds Receivable	C-7	1,454,803.09	
Deferred Charge - Cost of Improvements Authorized	C-8	22,590.21	
		$ 41,614,057.91	$ 38,691,186.68
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-9	$ 9,875,000.00	$ 12,450,000.00
Bond Anticipation Notes Payable	C-10	22,146,054.00	14,469,554.00
Green Trust Loans Payable	C-11	182,948.07	214,113.03
Improvement Authorizations:			
Funded	C-12	105,535.02	400,026.44
Unfunded	C-12	4,518,915.30	10,188,842.76
Capital Improvement Fund	C-13		14,909.79
Reserve for Encumbrances	C-14	3,721,213.84	
Fund Balance	C-1	1,064,391.68	953,740.66
		$ 41,614,057.91	$ 38,691,186.68

There were bonds and notes authorized but not issued on December 31, 2025 of $4,911,986.55 (Schedule C-15) and on December 31, 2024 of $1,311,761.55.

The accompanying Notes to Financial statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	REF.		
Balance, December 31, 2024	C	$	953,740.66
Increased by:			
Premium on Bond Anticipation Notes Issued	C-2		210,651.02
			1,164,391.68
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		100,000.00
Balance, December 31, 2025	C	$	1,064,391.68

The accompanying Notes to the Financial Statements are an integral part of this statement.

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WATER EASTERN SERVICE UTILITY FUND

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	D-5	$ 2,029,288.44	$ 1,011,035.97
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	213,249.60	145,152.65
Inventory	D-8	113,081.82	139,912.72
		326,331.42	285,065.37
Deferred Charges:			
Deficit in Operations	D-9		191,656.11
Total Operating Fund		2,355,619.86	1,487,757.45
Capital Fund:			
Cash and Cash Equivalents	D-5	954,662.24	603,351.18
Fixed Capital	D-16	27,402,608.83	23,113,779.55
Fixed Capital Authorized and Uncompleted	D-17	2,079,889.52	5,899,298.18
Interfunds Receivable	D-18	187,596.72	187,596.72
Other Receivables	D-19	977,388.74	1,179,894.95
Total Capital Fund		31,602,146.05	30,983,920.58
		$ 33,957,765.91	$ 32,471,678.03

The accompanying Notes to Financial Statements are an integral part of this statement.

"D"
SHEET #2

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves	D-4, D-10	$ 13,477.74	$ 123,068.52
Interfunds Payable	D-11	76,937.52	
Overpayments	D-12	27,170.37	
Accrued Interest on Bonds, Notes and Loans	D-13	11,301.69	15,887.50
Reserve for Escrow Deposits	D-14	416,444.53	400,197.93
Reserve for Encumbrances	D-15	48,833.53	163,537.23
		594,165.38	702,691.18
Reserve for Receivables and Inventory		326,331.42	285,065.37
Fund Balance	D-1	1,435,123.06	500,000.90
Total Operating Fund		2,355,619.86	1,487,757.45
Capital Fund:			
Reserve for Encumbrances	D-15	2,360,634.33	
Interfunds Payable	D-18	1,977,000.00	
Serial Bonds Payable	D-20	4,330,000.00	4,565,000.00
Bond Anticipation Notes Payable	D-21	977,000.00	990,000.00
New Jersey Infrastructure Bank:			
Loans Payable	D-22	2,668,717.18	2,907,488.64
Improvement Authorizations:			
Funded	D-23	822,622.84	819,310.37
Unfunded	D-23	1,033,538.36	5,079,987.81
Capital Improvement Fund	D-24	1,116,495.39	1,016,495.39
Miscellaneous Reserves	D-25	223,728.12	219,820.62
Reserve for Amortization	D-26	15,005,005.21	11,901,264.09
Deferred Reserve for Amortization	D-27	1,046,350.96	3,443,500.00
Fund Balance	D-2	41,053.66	41,053.66
Total Capital Fund		31,602,146.05	30,983,920.58
		$ 33,957,765.91	$ 32,471,678.03

There were bonds and notes authorized but not issued on December 31, 2025 of $5,455,425.00 (Schedule D-28) and on December 31, 2024 of $5,205,825.00.

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	$ 305,000.00	$ 400,000.00
Rents	D-3	3,580,346.66	2,731,018.34
Miscellaneous	D-3	609,849.56	208,588.70
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	D-10	152,832.61	27,736.85
TOTAL INCOME		4,648,028.83	3,367,343.89
EXPENDITURES			
Operating	D-4	2,456,000.00	2,526,755.34
Capital Improvements	D-4	100,000.00	
Debt Service	D-4	591,245.46	570,244.66
Deferred Charges	D-4	191,656.11	400,000.00
Statutory Expenditures	D-4	62,000.00	62,000.00
		3,400,901.57	3,559,000.00
Refund of Prior Year Revenue	D-5	7,005.10	
TOTAL EXPENDITURES		3,407,906.67	3,559,000.00
Excess/(Deficit) in Revenue		1,240,122.16	(191,656.11)
Operating Deficit to be Raised in Budget of Succeeding Year	D		191,656.11
Regulatory Excess to Fund Balance		1,240,122.16	
Fund Balance January 1	D	500,000.90	900,000.90
		1,740,123.06	900,000.90
Less: Utilized as Anticipated Revenue	D-1	305,000.00	400,000.00
Fund Balance December 31	D	$ 1,435,123.06	$ 500,000.90

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	REF.	
Balance December 31, 2024 and 2025	D	$ 41,053.66

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	ANTICIPATED	REALIZED	EXCESS
Fund Balance Anticipated	D-1	$ 305,000.00	$ 305,000.00	$
Rents	D-1:D-7	2,995,903.00	3,580,346.66	584,443.66
Miscellaneous	D-1:D-3	100,000.00	609,849.56	509,849.56
	D-4	$ 3,400,903.00	$ 4,495,196.22	$ 1,094,293.22

ANALYSIS OF REALIZED REVENUE

	REF.	REALIZED
Miscellaneous:		
Interest on Delinquent Accounts		$ 18,271.22
Investment Interest		24,288.25
On/Off		55,030.59
PFAS Settlement		508,022.26
Other Miscellaneous		4,237.24
	D-3:D-5	$ 609,849.56

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	APPROPRIATIONS		EXPENDED		UNEXPENDED
		BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
Operating:						
Salaries and Wages		$ 736,000.00	$ 936,000.00	$ 923,411.10	$ 12,588.90	$
Other Expenses		1,710,000.00	1,510,000.00	1,509,760.57	239.43	
Accumulated Leave		10,000.00	10,000.00	10,000.00		
Total Operating		2,456,000.00	2,456,000.00	2,443,171.67	12,828.33	
Capital Improvements:						
Capital Improvement Fund		100,000.00	100,000.00	100,000.00		
Total Capital Improvements		100,000.00	100,000.00	100,000.00		
Debt Service:						
Payment of Bond Principal		235,000.00	235,000.00	235,000.00		
Payment of Bond Anticipation Notes and Capital Notes		13,000.00	13,000.00	13,000.00		
Interest on Bonds		106,938.00	106,938.00	106,938.00		
Interest on Notes		44,550.00	44,550.00	44,550.00		
Infrastructure Loan Principal		160,915.00	160,915.00	160,914.46		.54
Infrastructure Loan Interest		30,843.00	30,843.00	30,843.00		
Total Debt Service		591,246.00	591,246.00	591,245.46		.54
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Deficit in Operation in Prior Years		191,657.00	191,657.00	191,656.11		.89
		191,657.00	191,657.00	191,656.11		.89
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)		62,000.00	62,000.00	61,350.59	649.41	
Total Deferred Charges and Statutory Expenditures		62,000.00	62,000.00	61,350.59	649.41	
		$ 3,400,903.00	$ 3,400,903.00	$ 3,387,423.83	$ 13,477.74	$ 1.43
	REF.	D-3		D-1	D:D-1	
Disbursements	D-5			$ 2,964,603.19		
Deferred Charges	D-9			191,656.11		
Accrued Interest on Bonds, Notes and Loans	D-13			182,331.00		
Reserve for Encumbrances	D-15			48,833.53		
				$ 3,387,423.83		

The accompanying Notes to the Financial Statements are an integral part of this statement.

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SEWER EASTERN SERVICE UTILITY FUND

"E"
SHEET #1

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	E-5	$ 2,382,377.32	$ 4,582,031.17
Interfunds Receivable	E-9	5,630.03	1,038.87
		2,388,007.35	4,583,070.04
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	93,066.03	57,849.22
Inventory	E-8	56,328.72	68,959.07
		149,394.75	126,808.29
Total Operating Fund		2,537,402.10	4,709,878.33
Capital Fund:			
Cash and Cash Equivalents	E-5	1,633,392.76	2,868,801.60
Fixed Capital	E-14	11,878,031.55	11,878,031.55
Interfunds Receivable	E-15	1,510,000.00	170,000.00
Total Capital Fund		15,021,424.31	14,916,833.15
		$ 17,558,826.41	$ 19,626,711.48

The accompanying Notes to Financial Statements are an integral part of this statement.

"E"
SHEET #2

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.		BALANCE DECEMBER 31, 2025		BALANCE DECEMBER 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	E-4, E-10	$	54,738.52	$	687,043.25
Interfunds Payable	E-9		24,119.99		
Overpayments	E-11		17,126.93		
Reserve for Escrow Deposits	E-12		95,000.38		140,090.00
Reserve for Encumbrances	E-13		237,079.43		49,873.56
			428,065.25		877,006.81
Reserve for Receivables and Inventory			149,394.75		126,808.29
Fund Balance	E-1		1,959,942.10		3,706,063.23
Total Operating Fund			2,537,402.10		4,709,878.33
Capital Fund:					
Interfunds Payable	E-15		5,630.03		1,038.87
Capital Improvement Fund	E-16		3,133,947.73		3,033,947.73
Reserve for Amortization	E-17		11,878,031.55		11,878,031.55
Fund Balance	E-2		3,815.00		3,815.00
Total Capital Fund			15,021,424.31		14,916,833.15
		$	17,558,826.41	$	19,626,711.48

There were no bonds and notes authorized but not issued on December 31, 2025 or December 31, 2024.

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	$ 500,000.00	$ 500,000.00
Sewer Rents	E-3	3,978,728.51	3,931,579.39
Miscellaneous	E-3	217,277.15	196,325.77
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	657,873.21	688,727.37
TOTAL INCOME		5,353,878.87	5,316,632.53
EXPENDITURES			
Operating	E-4	4,410,000.00	4,420,000.00
Capital Improvements	E-4	100,000.00	
Statutory Expenditures	E-4	90,000.00	80,000.00
TOTAL EXPENDITURES		4,600,000.00	4,500,000.00
Regulatory Excess to Fund Balance		753,878.87	816,632.53
Fund Balance January 1	E	3,706,063.23	4,139,430.70
		4,459,942.10	4,956,063.23
Less: Utilized as Anticipated Revenue	E-1	500,000.00	500,000.00
Utilization by Current Fund Budget	E-5	2,000,000.00	750,000.00
		2,500,000.00	1,250,000.00
Fund Balance December 31	E	$ 1,959,942.10	$ 3,706,063.23

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	REF.	
Balance December 31, 2024 and 2025	E	$ 3,815.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	ANTICIPATED	REALIZED	EXCESS
Fund Balance Anticipated	E-1	$ 500,000.00	$ 500,000.00	$
Sewer Rents	E-1:E-7	4,000,000.00	3,978,728.51	(21,271.49)
Miscellaneous	E-1:E-3	100,000.00	217,277.15	117,277.15
	E-4	$ 4,600,000.00	$ 4,696,005.66	$ 96,005.66

ANALYSIS OF REALIZED REVENUE

	REF.	
Miscellaneous:		
Interest on Delinquent Accounts		$ 12,462.04
Connection Fees		105,425.60
Other Miscellaneous		99,389.51
	E-3:E-5	$ 217,277.15

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	APPROPRIATIONS		EXPENDED		UNEXPENDED
		BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
Operating:						
Salaries and Wages		$ 911,500.00	$ 936,500.00	$ 913,317.51	$ 23,182.49	$
Other Expenses		3,488,500.00	3,463,500.00	3,462,418.28	1,081.72	
Accumulated Leave		10,000.00	10,000.00	10,000.00		
Total Operating		4,410,000.00	4,410,000.00	4,385,735.79	24,264.21	
Capital Improvements:						
Capital Improvement Fund		100,000.00	100,000.00	100,000.00		
Total Capital Improvements		100,000.00	100,000.00	100,000.00		
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)		90,000.00	90,000.00	59,525.69	30,474.31	
Total Deferred Charges and Statutory Expenditures		90,000.00	90,000.00	59,525.69	30,474.31	
		$ 4,600,000.00	$ 4,600,000.00	$ 4,545,261.48	$ 54,738.52	$
	REF.	E-3		E-1	E:E-1	
Disbursements	E-5			$ 4,308,182.05		
Reserve for Encumbrances	E-13			237,079.43		
				$ 4,545,261.48		

The accompanying Notes to the Financial Statements are an integral part of this statement.

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WATER WESTERN SERVICE UTILITY FUND

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	F-5	$ 1,735,549.19	$ 1,233,603.72
Change Fund		60.00	60.00
Interfunds Receivable	F-9	34,283.81	11.24
		1,769,893.00	1,233,674.96
Receivables with Full Reserves:			
Consumer Accounts Receivable	F-7	154,434.50	67,770.41
Inventory	F-8	80,087.12	83,706.26
		234,521.62	151,476.67
Total Operating Fund		2,004,414.62	1,385,151.63
Capital Fund:			
Cash and Cash Equivalents	F-5	59,655.76	83,220.26
Fixed Capital	F-14	20,417,874.98	15,531,790.98
Fixed Capital Authorized and Uncompleted	F-15	1,106,875.02	5,692,959.02
Total Capital Fund		21,584,405.76	21,307,970.26
		$ 23,588,820.38	$ 22,693,121.89

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves	F-4, F-10	$ 92,132.39	$ 340,592.25
Interfunds Payable	F-9	356,615.50	
Overpayments	F-11	45,845.39	
Accrued Interest on Bonds, Notes and Loans	F-12	162,362.53	166,651.12
Reserve for Encumbrances	F-13	191,378.57	89,413.14
		848,334.38	596,656.51
Reserve for Receivables		234,521.62	151,476.67
Fund Balance	F-1	921,558.62	637,018.45
Total Operating Fund		2,004,414.62	1,385,151.63
Capital Fund:			
Reserve for Encumbrances	F-13	4,862,519.50	
Interfunds Payable	F-16	11.24	11.24
Serial Bonds Payable	F-17	12,375,000.00	12,740,000.00
Improvement Authorizations:			
Funded	F-18	23,609.02	23,209.02
Unfunded	F-18	1,083,266.00	5,669,750.00
Capital Improvement Fund	F-19	10,000.00	60,000.00
Reserve for Amortization	F-20	3,206,390.98	2,815,000.00
Deferred Reserve for Amortization	F-21	23,609.02	
Fund Balance	F-2		
Total Capital Fund		21,584,405.76	21,307,970.26
		$ 23,588,820.38	$ 22,693,121.89

There were bonds and notes authorized but not issued on December 31, 2025 of $5,919,750.00 (Schedule F-22) and on December 31, 2024 of $5,669,750.00

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	F-3	$ 600,000.00	$ 600,000.00
Rents	F-3	2,545,685.13	2,346,547.90
Miscellaneous	F-3	520,790.76	46,731.31
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	F-10	349,990.74	355,291.47
TOTAL INCOME		4,016,466.63	3,348,570.68
EXPENDITURES			
Operating	F-4	2,291,288.00	2,342,796.00
Debt Service	F-4	758,331.19	767,204.00
Statutory Expenditures	F-4	80,000.00	80,000.00
		3,129,619.19	3,190,000.00
Refund of Prior Year Revenue	F-5	2,307.27	
TOTAL EXPENDITURES		3,131,926.46	3,190,000.00
Regulatory Excess to Fund Balance		884,540.17	158,570.68
Fund Balance January 1	F	637,018.45	1,078,447.77
		1,521,558.62	1,237,018.45
Less: Utilized as Anticipated Revenue	F-1	600,000.00	600,000.00
Fund Balance December 31	F	$ 921,558.62	$ 637,018.45

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	REF.	
Balance December 31, 2024 and 2025	F	$ 0.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	ANTICIPATED	REALIZED	EXCESS
Fund Balance Anticipated	F-1	$ 600,000.00	$ 600,000.00	$
Rents	F-1:F-7	2,529,620.00	2,545,685.13	16,065.13
Miscellaneous	F-1:F-3		520,790.76	520,790.76
	F-4	$ 3,129,620.00	$ 3,666,475.89	$ 536,855.89

ANALYSIS OF REALIZED REVENUE

	REF.	REALIZED
Miscellaneous:		
Interest on Delinquent Accounts		$ 13,715.06
Investment Interest		22,179.42
PFAS Settlement Funds		480,216.81
Other Miscellaneous		4,679.47
	F-3:F-5	$ 520,790.76

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED RESERVED	UNEXPENDED BALANCE CANCELED
Operating:						
Salaries and Wages		$ 755,000.00	$ 755,000.00	$ 729,975.46	$ 25,024.54	$
Other Expenses		1,526,288.00	1,526,288.00	1,485,041.16	41,246.84	
Accumulated Leave		10,000.00	10,000.00	10,000.00		
Total Operating		2,291,288.00	2,291,288.00	2,225,016.62	66,271.38	
Debt Service:						
Payment of Bond Principal		365,000.00	365,000.00	365,000.00		
Interest on Bonds		393,332.00	393,332.00	393,331.19		.81
Total Debt Service		758,332.00	758,332.00	758,331.19		.81
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)		80,000.00	80,000.00	54,138.99	25,861.01	
Total Deferred Charges and Statutory Expenditures		80,000.00	80,000.00	54,138.99	25,861.01	
		$ 3,129,620.00	$ 3,129,620.00	$ 3,037,486.80	$ 92,132.39	$ .81
	REF.	F-3		F-1	F:F-1	
Disbursements	F-5			$ 2,452,777.04		
Accrued Interest on Bonds, Notes and Loans	F-12			393,331.19		
Reserve for Encumbrances	F-13			191,378.57		
				$ 3,037,486.80		

The accompanying Notes to the Financial Statements are an integral part of this statement.

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<u>SEWER WESTERN SERVICE UTILITY FUND</u>

"G"
SHEET #1

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	G-5	$ 642,115.46	$ 570,340.12
Interfunds Receivable	G-9	380,609.08	.55
		1,022,724.54	570,340.67
Receivables with Full Reserves:			
Consumer Accounts Receivable	G-7	96,205.33	51,348.25
Inventory	G-8	44,125.05	39,026.43
		140,330.38	90,374.68
Total Operating Fund		1,163,054.92	660,715.35
Capital Fund:			
Cash and Cash Equivalents	G-5	5,043.13	5,043.13
Fixed Capital	G-14	5,179,957.42	5,179,957.42
Fixed Capital Authorized and Uncompleted	G-15	5,042.58	5,042.58
Total Capital Fund		5,190,043.13	5,190,043.13
		$ 6,353,098.05	$ 5,850,758.48

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves	G-4:G-10	$ 5,275.19	$ 220,099.85
Overpayments	G-11	37,632.72	
Accrued Interest on Bonds, Notes and Loans	G-12	31,820.96	34,680.08
Reserve for Encumbrances	G-13	9,387.64	45,599.45
		84,116.51	300,379.38
Reserve for Receivables and Inventory		140,330.38	90,374.68
Fund Balance	G-1	938,608.03	269,961.29
Total Operating Fund		1,163,054.92	660,715.35
Capital Fund:			
Interfunds Payable	G-16	.55	.55
Serial Bonds Payable	G-17	2,935,000.00	3,250,000.00
Improvement Authorizations:			
Funded	G-18	5,042.58	5,042.58
Reserve for Amortization	G-19	2,244,957.42	1,935,000.00
Deferred Reserve for Amortization	G-20	5,042.58	
Fund Balance	G-2		
Total Capital Fund		5,190,043.13	5,190,043.13
		$ 6,353,098.05	$ 5,850,758.48

There were no bonds and notes authorized but not Issued at December 31, 2025 or December 31, 2024

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	$ 200,000.00	$ 100,000.00
Rents	G-3	3,005,963.81	2,442,858.55
Miscellaneous	G-3	64,813.06	72,522.06
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	G-10	228,737.54	92,741.82
TOTAL INCOME		3,499,514.41	2,708,122.43
EXPENDITURES			
Operating	G-4	2,184,628.00	2,084,132.00
Debt Service	G-4	395,371.88	386,868.00
Statutory Expenditures	G-4	45,000.00	39,000.00
		2,624,999.88	2,510,000.00
Refund of Prior Year Revenue	G-5	5,867.79	
TOTAL EXPENDITURES		2,630,867.67	2,510,000.00
Regulatory Excess to Fund Balance		868,646.74	198,122.43
Fund Balance January 1	G	269,961.29	171,838.86
		1,138,608.03	369,961.29
Less: Utilized as Anticipated Revenue	G-1	200,000.00	100,000.00
Fund Balance December 31	G	$ 938,608.03	$ 269,961.29

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	REF.	
Balance December 31, 2024 and 2025	G	$ 0.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	ANTICIPATED	REALIZED	EXCESS
Fund Balance Anticipated	G-1	$ 200,000.00	$ 200,000.00	$
Rents	G-1:G-7	2,425,000.00	3,005,963.81	580,963.81
Miscellaneous	G-1:G-3		64,813.06	64,813.06
	G-4	$ 2,625,000.00	$ 3,270,776.87	$ 645,776.87

ANALYSIS OF REALIZED REVENUE

Miscellaneous:		
Interest on Delinquent Accounts		$ 4,605.19
Investment Interest		7,326.43
Connection		504.00
Cell Tower		51,000.00
Other Miscellaneous		1,377.44
	G-3:G-5	$ 64,813.06

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	APPROPRIATIONS		EXPENDED		UNEXPENDED
		BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
Operating:						
Salaries and Wages		$ 537,628.00	$ 547,628.00	$ 546,920.90	$ 707.10	$
Other Expenses		1,637,000.00	1,627,000.00	1,626,847.66	152.34	
Accumulated Leave		10,000.00	10,000.00	10,000.00		
Total Operating		2,184,628.00	2,184,628.00	2,183,768.56	859.44	
Debt Service:						
Payment of Bond Principal		315,000.00	315,000.00	315,000.00		
Interest on Bonds		80,372.00	80,372.00	80,371.88		.12
Total Debt Service		395,372.00	395,372.00	395,371.88		.12
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)		45,000.00	45,000.00	40,584.25	4,415.75	
Total Deferred Charges and Statutory Expenditures		45,000.00	45,000.00	40,584.25	4,415.75	
		$ 2,625,000.00	$ 2,625,000.00	$ 2,619,724.69	$ 5,275.19	$ .12
	REF.	G-3		G-1	G:G-1	
Disbursements	G-5			$ 2,529,965.17		
Accrued Interest on Bonds, Notes and Loans	G-12			80,371.88		
Reserve for Encumbrances	G-13			9,387.64		
				$ 2,619,724.69		

The accompanying Notes to the Financial Statements are an integral part of this statement.

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PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF MANCHESTER

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Trust Fund 1:			
Cash	H-1	$ 2,968.79	$ 2,902.34
Discretionary Fund:			
Cash	H-1	75,708.20	81,775.60
		$ 78,676.99	$ 84,677.94
LIABILITIES AND RESERVES			
Trust Fund 1:			
Reserve for Public Assistance Trust Fund 1	H-2	$ 2,968.79	$ 2,902.34
Discretionary Fund:			
Reserve for Public Assistance Discretionary Trust Fund	H-2	75,708.20	81,775.60
		$ 78,676.99	$ 84,677.94

The accompanying Notes to the Financial Statements are an integral part of this statement.

PAYROLL FUND

TOWNSHIP OF MANCHESTER

PAYROLL FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS		
Cash and Cash Equivalents	$ 191,342.74	$ 215,602.75
	$ 191,342.74	$ 215,602.75
LIABILITIES, RESERVES AND FUND BALANCE		
Payroll Liabilities	$ 191,342.74	$ 215,602.75
	$ 191,342.74	$ 215,602.75

The accompanying Notes to Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF MANCHESTER

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
GENERAL FIXED ASSETS		
Land, Buildings and Improvements	$ 25,340,703.00	$ 24,935,191.00
Vehicles, Machinery and Equipment	35,124,620.08	26,695,792.10
	$ 60,465,323.08	$ 51,630,983.10
INVESTMENT IN GENERAL FIXED ASSETS		
Investment in General Fixed Assets	$ 60,465,323.08	$ 51,630,983.10

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Manchester is an instrumentality of the State of New Jersey established to function as a municipality. The Township Council consists of elected officials and is responsible for the fiscal control of the Township.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization.

Except as noted below, the financial statements of the Township of Manchester include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Manchester, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Manchester do not include the operations of any libraries, first aid organizations, volunteer fire companies or the local school district, in as much as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles, (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Township of Manchester conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Manchester are organized on the basis of funds and account groups which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account groups:

<u>Current Fund</u> - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

<u>Trust Fund</u> - receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

<u>General Capital Fund</u> - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

<u>Water Eastern Service Operating and Capital Funds</u> - account for the operations and acquisition of capital facilities of the municipally owned eastern water utility.

<u>Sewer Eastern Service Operating and Capital Funds</u> - account for the operations and acquisition of capital facilities of the municipally owned eastern sewer utility.

<u>Water Western Service Operating and Capital Funds</u> - account for the operations and acquisition of capital facilities of the municipally owned western water utility.

<u>Sewer Western Service Operating and Capital Funds</u> - account for the operations and acquisition of capital facilities of the municipally owned western sewer utility.

<u>Public Assistance Fund</u> - Receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of the New Jersey statutes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Payroll Fund - Receipt and disbursement of funds for payroll costs and payroll taxes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Interfunds - interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based upon an inspection and historical cost analysis except for land and buildings acquired prior to December 31, 1985 which are stated at current replacement values as permitted by N.J.A.C. 5:30-5.6. Except for land and buildings, fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued) - Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish, and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. Under GAAP, the Township would be required to record a liability for compensated absences, including salary-related payments, as those benefits are earned and meet the recognition criteria established by GASB 101. However, under the accounting practices prescribed by the State of New Jersey, compensated absences are recorded only when due and payable. Accordingly, the Township has not recorded a liability for compensated absences in accordance with GASB 101.

Fixed Capital – Water and Sewer Utility Funds - Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water and Sewer Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represents charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions - Under GAAP, municipalities are required to recognize their distributive shares of the net pension liability, deferred outflows of resources and deferred inflows of resources in the Statement of Net Position and the total pension related expense in the Statement of Revenues, Expenses and Changes in Net Position and in the Notes to the Financial Statements in accordance with GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68; however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pensions and Benefits reporting on GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) - Under GAAP, municipalities are required to recognize their distributive shares of the net OPEB liability, deferred outflows of resources and deferred inflows of resources in the Statement of Net Position and the total OPEB related expense in the Statement of Revenues, Expenses and Changes in Net Position and in the Notes to the Financial Statements in accordance with GASB 75.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pensions and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed.

Leases - Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right–to-use assets on the statements of net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases - New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division, and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey, and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation (FDIC). The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Manchester had the following cash and cash equivalents at December 31, 2025:

	CASH IN BANK	DEPOSITS IN TRANSIT	OUTSTANDING CHECKS	RECONCILED BALANCE
Current Fund	$6,273,957.17	$1,266,371.43	$782,528.10	$6,757,800.50
Animal Control Trust Fund	66,378.90			66,378.90
Open Space Fund	1,252,906.34			1,252,906.34
Trust Other Fund	3,684,387.05	5,663.77	80,307.31	3,609,743.51
General Capital Fund	2,878,060.84	50,000.00	4,200.00	2,923,860.84
Public Assistance Fund	79,202.50		525.51	78,676.99
Water ESA Operating Fund	1,951,941.19	178,078.45	100,731.20	2,029,288.44
Water ESA Capital Fund	862,862.24	100,000.00	8,200.00	954,662.24
Sewer ESA Operating Fund	2,794,182.99	108,097.74	519,903.41	2,382,377.32
Sewer ESA Capital Fund	1,193,392.76	440,000.00		1,633,392.76
Water WSA Operating Fund	2,053,331.13	106,964.29	424,686.23	1,735,609.19
Water WSA Capital Fund	59,655.76			59,655.76
Sewer WSA Operating Fund	205,266.28	438,853.96	2,004.78	642,115.46
Sewer WSA Capital Fund	5,043.13			5,043.13
Payroll Fund	1,621,490.65	61,129.41	1,491,277.32	191,342.74
	$24,982,058.93	$2,755,159.05	$3,414,363.86	$24,322,854.12

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of the statute. As of December 31, 2025, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk.

Of the cash on deposit in the bank, $500,000.00 was covered by FDIC insurance and a collateral pool under NJ GUDPA covered $22,486,252.80. An amount of $1,995,806.13 was on deposit in the name of various developers for escrow and is insured by FDIC insurance or uninsured depending on the deposits of the individual developer in the depository.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units.

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:

a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

b. the custody of collateral is transferred to a third party;

c. the maturity of the agreement is not more than 30 days;

d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and

e. a master repurchase agreement providing for the custody and security of collateral is executed.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Township of Manchester had no investments outstanding as of December 31, 2025. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Title 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory next debt of 0.519%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Water - Sewer Utility Debt	$ 34,660,892.18	$ 34,660,892.18	$
General Debt	37,115,988.62	363,400.00	36,752,588.62
	$ 71,776,880.80	$ 35,024,292.18	$ 36,752,588.62

Net debt of $36,752,588.62 divided by equalized valuation basis per N.J.S.40A:2-2, as amended, of $7,076,478,526.00 equals 0.519%.

SUMMARY OF MUNICIPAL DEBT

	YEAR 2025	YEAR 2024	YEAR 2023
Issued:			
General:			
Bonds, Notes and Loans	$ 32,204,002.07	$ 27,123,667.03	$ 21,359,217.91
Water / Sewer E & W Utilities:			
Bonds, Notes and Loans	23,285,717.18	24,452,488.64	25,503,403.10
Total Issued	55,489,719.25	51,576,155.67	46,862,621.01
Less:			
Funds Temporarily Held to Pay Bonds, Notes and Loans, Accounts Receivable and Self-Liquidating Purpose	35,024,292.18	35,193,647.84	25,986,371.10
Total Deductions	35,024,292.18	35,193,647.84	25,986,371.10
Net Debt Issued	20,465,427.07	16,382,507.83	20,876,249.91
Authorized But Not Issued:			
General:			
Bonds, Notes and Loans	4,911,986.55	1,311,761.55	231,761.55
Water / Sewer E & W Utilities:			
Bonds, Notes and Loans	11,375,175.00	13,075,575.00	1,060,825.00
Total Authorized But Not Issued	16,287,161.55	14,387,336.55	1,292,586.55
Net Bonds and Notes Issued and Authorized But Not Issued	$ 36,752,588.62	$ 30,769,844.38	$ 22,168,836.46

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2024	$	7,076,478,526.00
3-1/2 of Equalized Valuation Basis (Municipal)	$	247,676,748.41
Net Debt		36,752,588.62
Remaining Borrowing Power	$	210,924,159.79

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Township of Manchester for the last three (3) preceding years.

CALCULATION OF “SELF-LIQUIDATING PURPOSE” WATER EASTERN SERVICE UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance			$	4,495,196.22
Deductions:				
Operating and Maintenance Cost	$	2,518,000.00		
Debt Service per Water - Sewer Account		591,245.46		
Total Deductions				3,109,245.46
Excess in Revenue			$	1,385,950.76

CALCULATION OF “SELF-LIQUIDATING PURPOSE” SEWER EASTERN SERVICE UTILITY PER N.J.S.40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance			$	4,696,005.66
Deductions:				
Operating and Maintenance Cost	$	4,500,000.00		
Debt Service per Water - Sewer Account		0.00		
Total Deductions				4,500,000.00
Excess in Revenue			$	196,005.66

NOTE 3: MUNICIPAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER WESTERN SERVICE UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		$ 3,666,475.89
Deductions:		
Operating and Maintenance Cost	$ 2,371,288.00	
Debt Service per Water - Sewer Account	758,331.19	
Total Deductions		3,129,619.19
Excess in Revenue		$ 536,856.70

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER WESTERN SERVICE UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		$ 3,270,776.87
Deductions:		
Operating and Maintenance Cost	$ 2,229,628.00	
Debt Service per Water - Sewer Account	395,371.88	
Total Deductions		2,624,999.88
Excess in Revenue		$ 645,776.99

LONG-TERM DEBT OBLIGATIONS:

General Capital Fund:

Serial Bonds:

Various % Refunding Bonds Series 2015 issued March 1, 2015, installment maturities to March 1, 2026	$ 760,000.00
Various % General Improvement Bonds Series 2017 issued August 30, 2017, installment maturities to October 15, 2029	3,740,000.00
Various % General Improvement Bonds Series 2020 issued December 2, 2020, installment maturities to December 1, 2029	3,460,000.00
Various % Open Space Bonds Series 2020 issued December 2, 2020, installment maturities to December 1, 2040	1,915,000.00
	$ 9,875,000.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT OBLIGATIONS (CONTINUED):

General Capital Fund (Continued)

Serial Bonds (Continued)

The General Capital Fund bonds mature serially in installments to the year 2040. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

YEAR		PRINCIPAL		INTEREST
2026	$	2,605,000.00	$	272,000.01
2027		1,875,000.00		204,312.51
2028		1,940,000.00		144,031.26
2029		1,985,000.00		80,556.26
2030		120,000.00		27,556.26
2031-35		645,000.00		108,137.52
2036-40		705,000.00		42,800.00
	$	9,875,000.00	$	879,393.82

Green Trust Loan Program:

The Township has two low interest loans (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The $218,028.19 loan for Pine Lake Park Phase II was finalized on August 9, 2011. The $349,523.44 loan for Manchester Soccer Complex was finalized on August 9, 2011. The Township must repay these loans in semi-annual installments over twenty years. Loan payments are due through the year 2031.

Debt service requirements for the two loans are as follows:

YEAR		PRINCIPAL		INTEREST
2026	$	31,791.38	$	3,500.80
2027		32,430.39		2,861.80
2028		33,082.23		2,209.94
2029		33,747.20		1,544.99
2030		34,425.50		866.66
2031		17,471.37		174.72
	$	182,948.07	$	11,158.91

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT OBLIGATIONS (CONTINUED):

Water Eastern Service Utility Capital Fund:

Serial Bonds:

Various % Water Utility Bonds Series 2020 issued December 17, 2020, installment maturities to December 1, 2040	$ 4,330,000.00

The Water Eastern Service Utility Capital Fund bonds Mature serially in installments to the year 2040. Aggregate debt service requirements during the next five fiscal years are as follows:

YEAR	PRINCIPAL	INTEREST
2026	$ 235,000.00	$ 102,412.50
2027	245,000.00	93,012.50
2028	255,000.00	83,212.50
2029	265,000.00	73,012.50
2030	275,000.00	62,412.50
2031-35	1,450,000.00	244,962.50
2036-40	1,605,000.00	97,500.00
	$ 4,330,000.00	$ 756,525.00

New Jersey Environmental Infrastructure Loans:

The Township received various low interest loans (variable rate) under the New Jersey Environmental Infrastructure Trust Loan Program. The respective loan balances at December 31, 2025 are enumerated below. Loan payments are due in semi-annual installments over twenty years. Loan payments are due through the year 2040.

New Jersey Environmental Infrastructure Trust - 2021A-1 (CW)	$ 475,000.00
New Jersey Environmental Infrastructure Fund - 2021A-1 (CW)	1,397,218.75
New Jersey Environmental Infrastructure Trust – 2021A-1 (DW)	755,000.00
New Jersey Environmental Infrastructure Fund – 2021A-1 (DW)	41,498.43
	$ 2,668,717.18

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED):

Water Eastern Service Utility Capital Fund (Continued):

New Jersey Environmental Infrastructure Loans (Continued):

Debt Service requirements during the next five fiscal years and thereafter are as follows:

YEAR	PRINCIPAL	INTEREST
2026	$ 160,914.46	$ 31,472.00
2027	165,914.46	28,401.20
2028	165,914.46	25,173.28
2029	165,914.46	22,001.72
2030	175,914.46	18,875.58
2031-35	894,572.30	61,785.92
2036-40	939,572.58	19,921.64
	$ 2,668,717.18	$ 207,631.34

Water Western Service Utility Capital Fund:

Serial Bonds:

Various % Water Utility Refunding Bonds Series 2020 issued January 28, 2020, installment maturities to August 1, 2041	$12,375,000.00

The Water Western Service Utility Capital Fund bonds Mature serially in installments to the year 2041. Aggregate debt service requirements during the next five fiscal years are as follows:

YEAR	PRINCIPAL	INTEREST
2026	$ 365,000.00	$ 389,670.06
2027	365,000.00	381,318.86
2028	365,000.00	372,602.66
2029	365,000.00	363,430.20
2030	365,000.00	354,075.26
2031-35	3,610,000.00	1,566,776.02
2036-40	5,665,000.00	814,306.78
2041	1,275,000.00	43,541.26
	$ 12,375,000.00	$ 4,285,721.10

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT OBLIGATIONS (CONTINUED)

Sewer Western Service Utility Capital Fund:

Serial Bonds:

Various % Sewer Utility Refunding Bonds Series 2020B issued January 28, 2020, installment maturities to August 1, 2032	$ 2,935,000.00

The Sewer Western Service Utility Capital Fund bonds Mature serially in installments to the year 2032. Aggregate debt service requirements during the next five fiscal years are as follows:

YEAR	PRINCIPAL	INTEREST
2026	$ 340,000.00	$ 76,370.30
2027	365,000.00	68,591.10
2028	390,000.00	59,874.90
2029	415,000.00	50,074.20
2030	445,000.00	39,437.76
2031-32	980,000.00	42,188.70
	$ 2,935,000.00	$ 336,536.96

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS:

Bond Anticipation Notes:

DATE OR ORDINANCE NUMBER	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	AMOUNT
General Capital Fund:					
19-012/20-007	8/11/2022	5/7/2025	5/6/2026	4.50%	$ 341,000.00
20-038	8/11/2022	5/7/2025	5/6/2026	4.50%	585,750.00
21-015	8/11/2022	5/7/2025	5/6/2026	4.50%	684,000.00
22-019	8/11/2022	5/7/2025	5/6/2026	4.50%	2,427,804.00
23-022	8/5/2023	5/7/2025	5/6/2026	4.50%	1,900,000.00
24-019	5/9/2024	5/7/2025	5/6/2026	4.50%	4,370,000.00
24-022	5/9/2024	5/7/2025	5/6/2026	4.50%	4,000,000.00
25-012	5/7/2025	5/7/2025	5/6/2026	4.50%	712,500.00
25-013	5/7/2025	5/7/2025	5/6/2026	4.50%	7,125,000.00
					$ 22,146,054.00
Water Eastern Service Capital Fund:					
21-003	8/11/2022	5/7/2025	5/6/2026	4.50%	$ 977,000.00

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED:

At December 31, 2025, the Township had bonds and notes authorized but not issued as follows:

General Capital Fund	$ 4,911,986.55
Water Eastern Service Utility Capital Fund	$ 5,455,425.00
Water Western Service Utility Capital Fund	$ 5,919,750.00

NOTE 4: COMPENSATED ABSENCES

Under the terms of various contracts, Township employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date. It is estimated that the current cost of such unpaid compensation would approximate $1,741,450.48. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2025. The Township has accumulated $84,100.10 for this purpose in the Trust Other Fund and has budgeted $170,000.00 in 2026 and continues to budget funds to provide for these liabilities as they arise.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2025 which were appropriated and included as anticipated revenue in their own respective fund budgets for the year ending December 31, 2025, as introduced were as follows:

Current Fund	$ 1,556,000.00
Water Eastern Service Utility Fund	$ 700,000.00
Sewer Eastern Service Utility Fund	$ 850,000.00
Water Western Service Utility Fund	$ 900,000.00
Sewer Western Service Utility Fund	$ 800,000.00

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County, the Local School District and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

NOTE 7: TAXES AND WATER – SEWER CHARGES COLLECTED IN ADVANCE

Taxes and water - sewer charges collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Prepaid Taxes	$992,321.24	$868,726.56
Tax Overpayments	111,160.21	53,068.09
All Utility Overpayments	127,775.41	0.00

NOTE 8: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2025, the Township does not believe that any material liabilities will result from such audits. However, funds received under the American Rescue Plan which have not been either earmarked or fully expended may be required to be returned to the Federal Government.

NOTE 9: LITIGATION

The Township is a member of the Ocean County Municipal Joint Insurance Fund, and any and all claims for damages under the New Jersey Tort Claims Act are covered by the self-insurance pool provided by the Fund. There is no anticipated or pending tort claim litigation which will result in any direct and uninsured liability of the Township. Rather, all matters of tort claim have adequate insurance protection.

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

NOTE 10: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance program for municipalities within the State. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Township is required to remit an employer's match to the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State.

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2025:

FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
Current Fund	$ 69,141.03	$ 1,768,770.92
Federal and State Grant Fund	665,383.02	
Animal Control Trust Fund		1,756.30
Trust Other Fund	30,780.00	127,384.73
General Capital Fund	1,454,803.09	
Water Eastern Service Operating		76,937.52
Water Eastern Service Capital	187,596.72	1,977,000.00
Sewer Eastern Service Operating	5,630.03	24,119.99
Sewer Eastern Service Capital	1,510,000.00	5,630.03
Water Western Service Operating	34,283.81	356,615.50
Water Western Service Capital		11.24
Sewer Western Service Operating	380,609.08	
Sewer Western Service Capital		0.55
	$ 4,338,226.78	$ 4,338,226.78

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 12: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 12: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of base salary. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and non-contributory death benefits. PFRS members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Township's share of pension, which is based upon the annual billings received from the state, amounted to $5,130,394.00 for 2025, $5,111,042.00 for 2024 and $4,833,690.00 for 2023. All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by the Federal Insurance Contribution Act.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

Public Employees Retirement System (PERS)

At June 30, 2025, the State reported a net pension liability of $14,497,950.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Township's proportion was 0.1178824489 percent, which was an increase of 0.0011194521 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the State recognized an actuarially determined pension expense of $1,334,986.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2025 billing was $1,588,818.00.

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 413,364.00	$ 15,493.00
Changes of assumptions	2,289.00	167,029.00
Net difference between projected and actual earnings on pension plan investments		1,208,938.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	497,259.00	628,785.00
	$ 912,912.00	$ 2,020,245.00

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2026	$242,212.80
2027	(586,763.20)
2028	(458,788.20)
2029	(279,465.20)
2030	(24,529.20)
	($1,107,333.00)

Actuarial Assumptions

The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which rolled forward to June 30, 2025. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-7.75% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2025 asset are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.55%
Non-U.S. Developed Market Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Market Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan'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 plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Township's proportionate share of net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2025 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the pension liability	$19,846,831.00	$14,497,950.00	$9,939,284.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2025, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The amounts contributed by the State on behalf of the Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a non-employer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of June 30, 2025 was 0.1185315599% which was an increase of 0.0012291100 percent from its proportion measured as of June 30, 2024. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2025 and June 30, 2024 was $49,814.00 and $51,151.00, respectively.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions

Police and Firemen's Retirement System (PFRS)

At June 30, 2025, the State reported a net pension liability of $23,747,202.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2025, the Township's proportion was 0.2367845602 percent, which was a decrease of 0.0104656998 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the State recognized an actuarially determined pension expense of $1,838,037.00. The pension expense recognized in the Township's financial statements based on the April 1, 2025, billing was $3,420,063.00.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 1,945,527.00	$ 451,336.00
Changes of assumptions	1,187,829.00	300,211.00
Net difference between projected and actual earnings on pension plan investments		1,163,316.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,359,792.00	1,864,838.00
	$ 4,493,148.00	$ 3,779,701.00

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 June 30	Amount
2026	$ 1,226,464.80
2027	(480,750.20)
2028	(297,287.20)
2029	3,271.80
2030	261,747.80
	$ 713,447.00

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which rolled forward to June 30, 2025. This actuarial valuation used the following assumptions:

Inflation	
Price	2.50%
Wage	3.00%
Salary Increases	All future years 4.00-17.50% Based on years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pub-2016 Safety Employee amount-weighted mortality tables projected generationally from 2016 with Scale MP-2021. 5% of deaths are assumed to be accidental. Healthy annuitants, mortality rates were 100% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for males and 98% of the Pub-2016 Safety Retiree Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount weighted mortality table for males and 100% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2025 are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan'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 plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2025, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the PFRS pension liability	$34,546,137.00	$23,747,202.00	$14,737,489.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a non-employer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2025 and 2024 is 0.2367846339% and 0.2472503300% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2025 and 2024 was $571,385.00 and $579,085.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2025 and 2024 was $571,385.00 and $579,085.00, respectively.

At June 30, 2025 and 2024, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is $4,820,618.00 and $5,033,686.00, respectively.

At June 30, 2025, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	$23,747,202.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	4,820,618.00
	$28,567,820.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other post-employment obligations for the year ended June 30, 2025. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2024.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total Net OPEB Liability

At June 30, 2024, the Plan reported a Liability of $52,383,455.00 for the Township's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024.

The Township's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024.

At June 30, 2024, the Township's proportion was 0.292556 percent, which was a decrease of 0.012193 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State reported OPEB expense of $2,666,807.00. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$2,652,852.00	$8,875,559.00
Changes of assumptions	8,757,522.00	8,695,323.00
Net difference between projected and actual earnings on OPEB plan investments		23,712.00
Changes in proportion	17,374,972.00	2,993,784.00
	$28,785,346.00	$20,588,378.00

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability (Continued)

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated OPEB (benefit)/expense as follows:

Year Ended June 30,	Amount
2025	($412,021.40)
2026	1,460,548.60
2027	2,632,958.60
2028	1,579,234.60
2029	2,049,919.60
Thereafter	886,328.00
	$8,196,968.00

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases*:	
Public Employees Retirement System (PERS):	
Initial fiscal year applied	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS):	
Rate for all future years	3.25% to 16.25%

* Salary increases are based on years of service within the respective plan.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality

Pre-Retirement Mortality

PERS	Pub-2010 "General" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
PFRS	Pub-2010 "Safety" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

Post-Retirement Mortality

Chapter 330 Retirees	Pub-2010 "Safety" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
Other Retirees	Pub-2010 "General" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long- term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumption

For Pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 19.38% in fiscal year 2026 and decreases to 4.50% in fiscal year 2034. For HMO, the trend rate is increasing to 20.15% in fiscal year 2026 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Township as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1.00% Decrease (2.93%)	At Discount Rate (3.93%)	1.00% Increase (4.93%)
Township's proportionate share of the Net OPEB Liability	$61,021,080.00	$52,383,455.00	$45,465,490.00

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Township as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Township's proportionate share of the Net OPEB Liability	$44,305,710.00	$52,383,455.00	$62,769,160.00

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2024 and 2023 is 0.111900% and 0.101585% respectively, and the employer pension benefit and related revenue for the year ended June 30, 2024 and 2023 was $528,688.00 and $642,668.00, respectively.

At June 30, 2024 and 2023, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is $5,456,966.00 and $3,544,395.00 respectively.

At June 30, 2024, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Township's proportionate share of the Net OPEB Liability	$52,383,455.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Township	5,456,966.00
	$57,840,421.00

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions

NOTE 14: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by independent administrators, the Equitable and Corebridge Financial.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activity. The Township's Deferred Compensation Plan activities are subject to a review only as defined by the New Jersey Division of Local Government Services and the American Institute of Certified Public Accountants. A review consists principally of inquiries of Township Officials and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards.

NOTE 15: LENGTH OF SERVICE AWARD PROGRAM

The Township of Manchester adopted an ordinance establishing a Length of Service Award Program to ensure retention of the Township's volunteers pursuant to N.J.S.A. 40A:14-183 *et seq*.

Under this program, each volunteer member that performs the minimum amount of service will have an annual amount up to $1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The Township's costs amounted to $27,600.00 in 2025, $33,350.00 in 2024 and $39,100.00 in 2023. The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Land, Buildings and Improvements	$ 24,935,191.00	$ 405,512.00	$	$ 25,340,703.00
Equipment and Machinery	26,695,792.10	8,494,951.77	66,123.79	35,124,620.08
	$ 51,630,983.10	$ 8,900,463.77	$ 66,123.79	$ 60,465,323.08

NOTE 17: LEASES

The Township has entered into seven (7) water tower leases with AT&T, Verizon, American Tower (formerly Sprint), and Dish Wireless which commenced between the years 2000 and 2022. The agreements all have five (5) year lease terms with the option to renew for four (4) additional lease terms. Payments received by the Township during 2025 totaled $205,099.34.

The Township has entered into eleven (11) copier leases with Wells Fargo which commenced between 2019 and 2025. The lease terms are sixty (60) months with various monthly payments. The Township paid a total of $60,555.18 for the copier leases during 2025. At this time, the Township has not exercised its option to purchase the equipment. Other options include renewing the lease or returning the equipment.

The Township entered into two (2) lease agreements with Quadient and FP Mailing for a postage machine which commenced in 2019 and 2025, respectively. The lease terms are sixty (60) months with various monthly payments. The Township paid a total of $1,067.43 during 2025. At this time, the Township has not exercised its option to purchase the equipment. Other options include renewing the lease or returning the equipment.

NOTE 18: PILOTS

The Township has entered into eight (8) Payment in Lieu of Taxes (PILOT) agreements with various developers which commenced between the years 1998 and 2020. Of these eight (8) PILOT agreements, five (5) were calculated based on rental revenue. Payments received by the Township during 2025 for these PILOTS totaled $328,011.08. The three (3) remaining PILOT agreements were based on assessed value and totaled $13,365.63 during 2025. Under the various agreements, the Township anticipates revenue through the year 2038.

NOTE 19: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025, the following deferred charges are shown on the balance sheets of the various funds:

Current Fund	BALANCE DECEMBER 31, 2025	2026 BUDGET APPROPRIATION	BALANCE TO SUBSEQUENT BUDGETS
Emergency Authorization (40A:4-47)	$ 575,000.00	$ 575,000.00	$ -
Overexpenditure of Appropriations	411,183.79	411,183.79	-
General Capital Fund			
Cost of Improvements Authorized	22,590.21	22,590.21	-
	$ 1,008,774.00	$ 1,008,774.00	$ -

Current Fund	BALANCE DECEMBER 31, 2025	2026 BUDGET APPROPRIATION	BALANCE TO SUBSEQUENT BUDGETS
Revaluation (40A:4-53)	$ 510,000.00	$ 170,000.00	$ 340,000.00
	$ 510,000.00	$ 170,000.00	$ 340,000.00

NOTE 20: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through July 31, 2026 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that except for the items set forth below, there are no other subsequent events that need to be disclosed.

NOTE 20: SUBSEQUENT EVENTS (CONTINUED)

The Township adopted the following capital ordinances as of July 31, 2026:

PROJECT	AMOUNT OF DEBT AUTHORIZED
General Capital Fund:	
Various Capital Improvements and Acquisition of Various Capital Equipment	$4,847,500.00
Various Water and Sewer Capital Funds:	
Water Utility Improvements Including the the Decommissioning and Repair of Well #10	2,142,000.00
Water Utility Improvements Including Rt. 70 Water Main Extension	2,565,400.00
Construction of Water Interconnection Between Borough of Lakehurst and Township of Manchester	500,000.00

On May 5, 2026, the Township sold of General Obligation Bonds Series 2025A in the amount of $25,498,000.00 to finance and/or permanently finance existing capital projects adopted through the date of the audit as follows:

General Improvement	$24,521,000.00
Water Utility	977,000.00

TOWNSHIP OF MANCHESTER

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2025

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF CASH

	REF.		CURRENT FUND
Balance December 31, 2024	A		$ 7,829,187.41
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	$ 620,539.13	
Due From State of New Jersey Ch. 20, P.L. 1971	A-6	1,047,696.14	
Taxes Receivable	A-7	110,489,632.59	
Tax Title Liens Receivable	A-8	16,481.47	
Revenue Accounts Receivable	A-10	16,099,974.73	
Due State of New Jersey - Other	A-13	55,277.00	
Tax Overpayments	A-14	449,915.06	
Prepaid Taxes	A-15	995,855.91	
Interfunds	A-18	2,631,125.01	
Accounts Payable	A-19	300.00	
			132,406,797.04
			140,235,984.45
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	$ 73,842.96	
Budget Appropriations	A-3	47,554,236.35	
Change Fund	A-5	840.00	
Municipal Open Space Preservation	A-7	770,737.79	
Appropriation Reserves	A-12	602,457.33	
Due State of New Jersey - Other	A-13	64,102.00	
Tax Overpayments	A-14	121,480.66	
County Taxes Payable	A-16	24,927,832.24	
Local District School Tax Payable	A-17	55,707,406.00	
Interfunds	A-18	3,201,612.47	
Reserve for Revaluation	A-21	286,341.15	
Emergency Note Payable	A-23	170,000.00	
			133,480,888.95
Balance December 31, 2025	A		$ 6,755,095.50

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF CHANGE FUND

	REF		
Balance December 31, 2024	A	$	1,865.00
Increased by:			
Disbursements	A-4		840.00
Balance December 31, 2025	A	$	2,705.00

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

	REF.		CH. 20, P.L. 1971
Balance, December 31, 2024 - Due From/(Due To)	A		$ 354,401.95
Increased/Decreased by:			
Deductions:			
Per Billings		$ 1,115,250.00	
Allowed by Collector - Current Year Taxes (Net)		10,208.19	
		1,125,458.19	
Disallowed by Collector - Prior Year Taxes	A-1	(77,560.01)	
Total Increases/Decreases	A-7		1,047,898.18
			1,402,300.13
Decreased/Increased by:			
Receipts	A-4		1,047,696.14
Balance, December 31, 2025 - Due From/(Due To)	A		$ 354,603.99

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2024	2025 LEVY	COLLECTED 2025	COLLECTED 2024	OVERPAYMENTS APPLIED	DUE FROM STATE OF NEW JERSEY CH. 20, P.L. 1971	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2025
Special Charges	$ 3,317.77	$	$ 327.69	$	$	$	$	$	$ 2,990.08
2023	857.66		1,005.94			(160.27)			11.99
2024	933,746.78		946,905.13			(77,399.74)	59,550.62	1,249.93	3,440.84
	937,922.21		948,238.76			(77,560.01)	59,550.62	1,249.93	6,442.91
6% Penalty		6,189.59							6,189.59
2025		113,215,636.08	109,541,393.83	872,261.23	127,826.34	1,125,458.19	247,279.45	8,082.92	1,293,334.12
	$ 937,922.21	$ 113,221,825.67	$ 110,489,632.59	$ 872,261.23	$ 127,826.34	$ 1,047,898.18	$ 306,830.07	$ 9,332.85	$ 1,305,966.62
REF.	A		A-4	A-15	A-14	A-6		A-8	A

	REF.			
Analysis of 2025 Property Tax Levy				
Tax Yield:				
General Purpose Tax			$ 112,142,391.31	
Added Taxes			1,073,244.77	
				$ 113,215,636.08
Tax Levy:				
Local District School Tax Payable (Abstract)	A-17		$ 56,754,518.00	
County Tax (Abstract)	A-16	$ 20,682,883.78		
County Library Tax (Abstract)	A-16	2,069,414.56		
County Health Tax (Abstract)	A-16	1,224,390.09		
County Open Space Preservation (Abstract)	A-16	880,097.76		
	A-1	24,856,786.19		
Due County Added Taxes	A-1, 16	237,752.63		
	A-16		25,094,538.82	
Municipal Open Space Preservation	A-4		770,737.79	
Total School and County Taxes	A-2		82,619,794.61	
Local Tax for Municipal Purposes		29,709,393.49		
Added Taxes		886,447.98		
			30,595,841.47	
				$ 113,215,636.08

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	REF.				
Balance December 31, 2024	A			$	59,323.97
Increased by:					
Transfers from Taxes Receivable	A-7	$	9,332.85		
Interest and Costs Accrued by Sale			402.48		
Recording and Other Fees Not Previously Booked			3,252.20		
					12,987.53
					72,311.50
Decreased by:					
Receipts	A-4				16,481.47
Balance December 31, 2025	A			$	55,830.03

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

(AT ASSESSED VALUATION)

Balance December 31, 2024 and 2025	A	$	11,521,941.64

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	BALANCE DECEMBER 31, 2024	ACCRUED IN 2025	COLLECTED	BALANCE DECEMBER 31, 2025
Licenses:				
Alcoholic Beverages	$	$ 32,750.00	$ 32,750.00	$
Other		16,107.00	16,107.00	
Fees and Permits		896,153.25	896,153.25	
Fines and Costs - Municipal Court	12,752.50	232,163.78	228,085.56	16,830.72
Interest and Costs on Taxes		245,131.12	245,131.12	
Interest on Investments and Deposits		393,751.18	393,751.18	
Anticipated Utility Operating Surplus		2,000,000.00	2,000,000.00	
General Capital Surplus		100,000.00	100,000.00	
Energy Receipts Tax		3,094,708.04	3,094,708.04	
Garden State Trust		196,078.00	196,078.00	
Uniform Construction Code Fees		995,510.00	995,510.00	
Shared Service Agreements:				
Lakehurst Court		56,000.00	56,000.00	
Plumsted Court		50,000.00	50,000.00	
Plumsted Information Technology		25,915.00	25,915.00	
Plumsted Tax Assessor		80,000.00	80,000.00	
EMS Revenues		4,207,719.90	4,207,719.90	
Uniform Fire Safety Act		34,585.55	34,585.55	
Tower Rental		205,099.34	205,099.34	
Hotel Tax		42,044.64	42,044.64	
Reimbursement for In-Kind Facilities & Security Services		743,336.00	743,336.00	
Beckerville PILOT		88,653.14	88,653.14	
Manchester Presbyterian PILOT		65,659.70	65,659.70	
Manchester Senior Housing PILOT		75,433.95	75,433.95	
Manchester Whiting Senior Housing PILOT		18,029.15	18,029.15	
Whiting Storage Urban Renewal PILOT		80,235.14	80,235.14	
Cable TV Franchise Fees		332,404.33	332,404.33	
Land Sale		648,962.16	648,962.16	
Host Community Benefits		1,147,622.58	1,147,622.58	
	$ 12,752.50	$ 16,104,052.95	$ 16,099,974.73	$ 16,830.72
REF.	A		A-4	A

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	DEC. 31, 2024	ADDED IN 2025	REDUCED	DEC. 31, 2025
12/15/2025	Emergency Authorizations (40A:4-47)	$ 575,000.00	$	$	$ 575,000.00	$	$ 575,000.00
2025	Overexpenditure of Appropriations				411,183.79		411,183.79
	N.J.S. 40A:4-55 Special Emergency:						
11/27/2023	Revaluation	850,000.00	170,000.00	680,000.00		170,000.00	510,000.00
				$ 680,000.00	$ 986,183.79	$ 170,000.00	1,496,183.79
			REF.	A	A-3	A-3	A

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
OFFICE OF THE MAYOR:				
Office of the Mayor:				
Salaries and Wages	$ 1,598.96	$ 1,598.96	$	$ 1,598.96
Other Expenses	2,170.88	2,170.88		2,170.88
Environmental Commission:				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Other Expenses	100.00	100.00		100.00
Veterans' Advisory Committee:				
Other Expenses	1,221.43	1,221.43		1,221.43
Office of the Clerk:				
Salaries and Wages	2,758.80	2,758.80		2,758.80
Other Expenses	19,750.95	19,750.95	11,265.44	8,485.51
DEPARTMENT OF ADMINISTRATION:				
Office of the Tax Assessor:				
Salaries and Wages	269.25	269.25		269.25
Other Expenses	16,597.24	16,597.24	2,674.74	13,922.50
Division of Administration, Purchasing and Personnel:				
Salaries and Wages	100.79	100.79		100.79
Other Expenses	11,500.38	11,500.38	755.20	10,745.18
Division of Recreation:				
Salaries and Wages	635.40	635.40		635.40
Other Expenses	9,033.06	9,033.06	2,686.41	6,346.65

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
DEPARTMENT OF ADMINISTRATION (CONTINUED):				
Division of Date Processing:				
Salaries and Wages	$ 6,939.21	$ 6,939.21	$	$ 6,939.21
Other Expenses	6,989.80	6,989.80	1,225.00	5,764.80
Aid to 3 Volunteer Fire Companies:				
Other Expenses	36,171.10	36,171.10	32,176.96	3,994.14
DEPARTMENT OF PUBLIC WORKS:				
Division of Administration and Streets:				
Other Expenses	26,789.63	26,789.63	20,732.37	6,057.26
Division of Buildings and Grounds:				
Salaries and Wages	697.82	697.82		697.82
Other Expenses	49,577.94	49,577.94	5,735.99	43,841.95
Division of Sanitation and Recycling:				
Other Expenses	68,582.07	68,582.07	2,428.00	66,154.07
Division of Central Maintenance:				
Other Expenses	49,363.48	49,363.48	27,264.83	22,098.65
Division of Lakes, Parks and Playgrounds:				
Salaries and Wages	5,160.70	5,160.70		5,160.70
Other Expenses	9,314.33	9,314.33	4,122.80	5,191.53
DEPARTMENT OF PUBLIC SAFETY:				
Police:				
Salaries and Wages	204,069.73	204,069.73	204,069.73	
Other Expenses	226,762.44	226,762.44	184,807.57	41,954.87

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
DEPARTMENT OF PUBLIC SAFETY (CONTINUED):				
Police Clerical and Communications:				
Salaries and Wages	$ 13,722.51	$ 13,722.51	$	$ 13,722.51
Division of Animal Control:				
Salaries and Wages	4,326.74	4,326.74		4,326.74
Other Expenses	4,037.02	4,037.02	2,664.00	1,373.02
DEPARTMENT OF LAND USE AND PLANNING:				
Division of Zoning and Planning:				
Salaries and Wages	2,167.97	2,167.97		2,167.97
Other Expenses	23,050.34	23,050.34		23,050.34
DEPARTMENT OF FINANCE:				
Financial Administration:				
Salaries and Wages	4,843.83	4,843.83		4,843.83
Other Expenses	9,567.11	9,567.11	7,624.05	1,943.06
Division of Revenue Collection:				
Salaries and Wages	232.35	232.35		232.35
Other Expenses	6,936.25	6,936.25	100.00	6,836.25
DEPARTMENT OF ENGINEERING:				
Engineering:				
Other Expenses	39,571.52	39,571.52	32,275.62	7,295.90

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
DEPARTMENT OF LAW:				
Township Attorney:				
Other Expenses	$ 5,147.88	$ 5,147.88	$ 1,567.50	$ 3,580.38
Municipal Prosecutor:				
Other Expenses	2,450.00	2,450.00		2,450.00
Closing Costs for Foreclosed Properties:				
Other Expenses	10,000.00	10,000.00		10,000.00
OTHER:				
Municipal Court:				
Salaries and Wages	107.01	107.01		107.01
Other Expenses	4,045.31	4,045.31	772.50	3,272.81
Public Defender (P.l. 1997, C. 256):				
Salaries and Wages	5,489.32	5,489.32		5,489.32
Insurance:				
General Liability	3,735.00	3,735.00		3,735.00
Workers" Compensation	15,091.00	15,091.00		15,091.00
Employee Group Health	141,297.16	141,297.16	3,326.42	137,970.74
Employee Opt-Out Payments	39,992.70	39,992.70		39,992.70
DEPARTMENT OF UNIFORM CONSTRUCTION CODE:				
Uniform Construction Code:				
Salaries and Wages	4,209.02	4,209.02		4,209.02
Other Expenses	11,444.37	11,444.37	3,718.79	7,725.58

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
UNCLASSIFIED:				
Gasoline	$ 27,673.59	$ 27,673.59	$ 5,565.93	$ 22,107.66
Electricity	295.25	295.25		295.25
Telephone	134.01	134.01		134.01
Natural Gas	3,781.80	3,781.80		3,781.80
Heating Oil	12,463.23	12,463.23		12,463.23
Street Lighting	16,142.70	16,142.70		16,142.70
Condominium Service Act	40,871.09	40,871.09	14,893.27	25,977.82
STATUTORY EXPENDITURES:				
Unemployment Insurance	5,000.00	5,000.00		5,000.00
Defined Contribution Retirement Program	6,915.97	6,915.97		6,915.97
Social Security System (OASI)	14,394.00	14,394.00		14,394.00
Total Appropriations Within Caps	1,236,791.44	1,236,791.44	572,453.12	664,338.32

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TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS EXCLUDED FROM CAPS	REF.	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
OTHER OPERATIONS:					
Emergency Management:					
Salaries and Wages		$ 12,855.15	$ 12,855.15	$	$ 12,855.15
Other Expenses		56,031.63	56,031.63	50,419.79	5,611.84
LOSAP		65,000.00	65,000.00		65,000.00
		133,886.78	133,886.78	50,419.79	83,466.99
		$ 1,370,678.22	$ 1,370,678.22	$ 622,872.91	$ 747,805.31
	REF.				A-1
Appropriation Reserves - 2024	A	$ 998,379.01			
Reserve for Encumbrances	A-20	372,299.21			
		$ 1,370,678.22			
Disbursements	A-4			$ 602,457.33	
Receipts	A-4				
Accounts Payable	A-19			20,415.58	
				$ 622,872.91	

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - OTHER

	REF.	TOTAL	UNIFORM CONSTRUCTION CODE	MARRIAGE LICENSES
Balance, December 31, 2024	A	$ 19,981.00	$ 19,156.00	$ 825.00
Increased by:				
Receipts	A-4	55,277.00	51,191.00	4,086.00
		75,258.00	70,347.00	4,911.00
Decreased by:				
Disbursements	A-4	64,102.00	59,441.00	4,661.00
Balance, December 31, 2025	A	$ 11,156.00	$ 10,906.00	$ 250.00

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	REF.				
Balance December 31, 2024	A			$	53,068.09
Increased by:					
Receipts	A-4				449,915.06
					502,983.15
Decreased by:					
Canceled	A-1	$	142,515.94		
Disbursements	A-4		121,480.66		
Applied to Taxes Receivable	A-7		127,826.34		
					391,822.94
Balance December 31, 2025	A			$	111,160.21

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	REF.		
Balance December 31, 2024	A	$	868,726.56
Increased by:			
Collections	A-4		995,855.91
			1,864,582.47
Decreased by:			
Applied to 2025 Taxes Receivable	A-7		872,261.23
Balance December 31, 2025	A	$	992,321.24

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2024	A			$	71,046.05
Increased by:					
General County Tax	A-7	$	20,682,883.78		
County Library Tax	A-7		2,069,414.56		
County Health Tax	A-7		1,224,390.09		
County Open Space Preservation Tax	A-7		880,097.76		
Added and Omitted Taxes	A-7		237,752.63		
	A-7				25,094,538.82
Decreased by:					
Payments	A-4				24,927,832.24
Balance, December 31, 2025	A			$	237,752.63

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	REF.		
Increased by:			
Levy Calendar Year 2025	A-7	$	56,754,518.00
			56,754,518.00
Decreased by:			
Payments	A-4		55,707,406.00
Balance, December 31, 2025	A	$	1,047,112.00

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	FEDERAL AND STATE GRANT FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	TRUST OPEN SPACE	GENERAL CAPITAL FUND	WATER EASTERN SERVICE UTILITY CAPITAL FUND	SEWER EASTERN SERVICE UTILITY CAPITAL FUND
Balance December 31, 2024 - Due From/(Due To)	A	$ (1,825,308.34)	$ (1,338,622.07)	$ 1,565.31	$ (99,874.86)	$ (30,780.00)	$	$ (187,596.72)	$ (170,000.00)
Increased/Decreased by:									
2025 Budget Revenues Realized	A-2	904,914.92	904,914.92						
Statutory Excess in Reserve for Animal Control Trust Fund Expenditures	A-2	190.99		190.99					
Disbursements	A-4	3,201,612.47	2,594,352.88		167,259.59		100,000.00		340,000.00
Total Increases/Decreases		4,106,718.38	3,499,267.80	190.99	167,259.59		100,000.00		340,000.00
Total Increases/Decreases and Balances		2,281,410.04	2,160,645.73	1,756.30	67,384.73	(30,780.00)	100,000.00	(187,596.72)	170,000.00
Decreased/Increased by:									
2025 Budget Appropriations	A-3	1,349,914.92	1,349,914.92						
Receipts	A-4	2,631,125.01	1,476,113.83				475,011.18		680,000.00
		3,981,039.93	2,826,028.75				475,011.18		680,000.00
Balance December 31, 2025 - Due From/(Due To)	A	$ (1,699,629.89)	$ (665,383.02)	$ 1,756.30	$ 67,384.73	$ (30,780.00)	$ (375,011.18)	$ (187,596.72)	$ (510,000.00)

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	REF.		
Balance December 31, 2024	A		$ 6,204.94
Increased by:			
Void Checks	A-4	$ 300.00	
Transfer from Appropriation Reserves	A-12	20,415.58	
			20,715.58
Balance December 31, 2025	A		$ 26,920.52

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	REF.	CURRENT FUND	GRANT FUND
Balance December 31, 2024	A	$ 372,299.21	$ 479,098.69
Increased by:			
Transfer from:			
2025 Budget Appropriations	A-3	504,005.29	
Grants Appropriated	A-26		527,899.91
		504,005.29	527,899.91
		876,304.50	1,006,998.60
Decreased by:			
Transfer to:			
Appropriation Reserves	A-12	372,299.21	
Grants Appropriated	A-26		479,098.69
		372,299.21	479,098.69
Balance December 31, 2025	A	$ 504,005.29	$ 527,899.91

"A-21"

SCHEDULE OF RESERVE FOR REVALUATION

	REF.	
Balance December 31, 2024	A	$ 350,448.34
Decreased by:		
Disbursements	A-4	286,341.15
Balance December 31, 2025	A	$ 64,107.19

"A-22"

SCHEDULE OF RESERVE FOR TAX APPEALS

	REF.	
Balance December 31, 2024 and 2025	A	$ 139,284.96

TOWNSHIP OF MANCHESTER

CURRENT FUND

SCHEDULE OF EMERGENCY NOTE PAYABLE

PURPOSE	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Revaluation	11/27/2023	12/18/2025	12/18/2026	0.50%	$ 680,000.00	$ 170,000.00	$ 510,000.00
					$ 680,000.00	$ 170,000.00	$ 510,000.00
				REF.	A	A-4	A

TOWNSHIP OF MANCHESTER

FEDERAL AND STATE GRANT FUND

SCHEDULE OF INTERFUNDS

	REF.	CURRENT FUND
Balance December 31, 2024 - Due From/(Due To)	A	$ 1,338,622.07
Increased/Decreased by:		
Receipts in Current Fund	A-25:A-27	1,476,113.83
2025 Budget Appropriations	A-3:A-26	1,349,914.92
Total Increases/Decreases		2,826,028.75
Total Increases/Decreases and Balances		4,164,650.82
Decreased/Increased by:		
2025 Budget Revenues Realized	A-2:A-25	904,914.92
Disbursements by Current Fund	A-26	2,594,352.88
Total Decreases/Increases		3,499,267.80
Balance December 31, 2025 - Due From/(Due To)	A	$ 665,383.02

"A-25"
SHEET #1

TOWNSHIP OF MANCHESTER

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2024	2025 BUDGET REVENUE REALIZED	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2025
Prior Years:					
NJ DOT Schoolhouse Rd.	$ 12,433.82	$	$	$	$ 12,433.82
NJ DOT Schoolhouse Rd.	55,346.21				55,346.21
NJ DOT Schoolhouse Rd. Phase IV	315,000.00				315,000.00
NJ DOT Colt Place	178,534.16				178,534.16
NJ DOT Station Rd.	102,419.76				102,419.76
Municipal Alliance	9,733.13		9,733.13		
Municipal Alliance 2022	13,962.00		819.05		13,142.95
Municipal Alliance 2023	5,046.14				5,046.14
ARP Firefighters Grant	75,000.00		74,308.88		691.12
DCA Ambulance Grant	62,500.00		62,500.00		
ARP Firefighters Grant	34,000.00				34,000.00
EECBG Electric Charging Stations Grant	76,500.00				76,500.00
Byrne Discretionary Grant	1,148,000.00		904,055.51		243,944.49
Office of Senior Services	37,303.00				37,303.00
Ocean ARP Grant	1,000.00				1,000.00
Current Year Grants:					
Municipal Alliance 2025		11,578.25		11,578.25	
Senior Outreach Grant		356,000.00	39,803.00		316,197.00
Recycling Tonnage Grant		38,268.29	38,268.29		
Federal Opioid Settlement		16,263.04	6,990.28	9,272.76	
LEAP Grant		150,000.00			150,000.00
Clean Energy Grant		7,500.00	7,500.00		
Clean Communities Grant		141,852.20	141,852.20		
Bulletproof Vest Partnership Grant		9,333.14	5,588.80		3,744.34

TOWNSHIP OF MANCHESTER

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2024	2025 BUDGET REVENUE REALIZED	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2025
Current Year Grants (Continued):					
Sustained Enforcement Grant	$	$ 154,120.00	$ 65,835.00	$ 43,120.00	$ 45,165.00
Spotted Lanternfly Grant		20,000.00	7,650.00		12,350.00
	$ 2,126,778.22	$ 904,914.92	$ 1,364,904.14	$ 63,971.01	$ 1,602,817.99
REF.	A	A-24	A-24	A-27	A

"A-26"
SHEET #1

TOWNSHIP OF MANCHESTER

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2024	2025 BUDGET APPROPRIATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2025
Prior Years:				
Senior Outreach Grant (2020-24)	$ 217,048.11	$	$ 217,048.11	$
Local Recreation Grant	80,000.00			80,000.00
Municipal Alliance (2021-23)	25,684.12		15,747.55	9,936.57
FM Global Fire Prevention Grant	2,798.00			2,798.00
Bulletproof Vest Partnership Grant (2022-24)	7,526.84			7,526.84
Office of Senior Services	37,303.00			37,303.00
Child Passenger Safety (2020-23)	4,632.50			4,632.50
Driving While Intoxicated	3,120.00			3,120.00
Clean Communities Grant (2023-24)	107,754.53		107,754.53	
Lead Grant	25,000.00			25,000.00
EECBG Electric Charging Stations Grant	29,987.72		29,987.72	
NJ DOT Lake Rd.	178,642.35			178,642.35
NJ DOT Schoolhouse Rd.	16,930.35			16,930.35
NJ DOT Schoolhouse Rd.	246,936.21			246,936.21
NJ DOT Schoolhouse Rd. Phase IV	20,480.55			20,480.55
NJ DOT Colt Place	345,870.00		229,513.13	116,356.87
NJ DOT Station Rd.	404,340.00		379,257.92	25,082.08
ARP Firefighters Grant	75,000.00		74,843.34	156.66

TOWNSHIP OF MANCHESTER

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2024	2025 BUDGET APPROPRIATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2025
Prior Years (Continued):				
Senior Services Cares Act III - B	$ 7,254.75	$	$	$ 7,254.75
Senior Services Cares Act III - E	3,814.21			3,814.21
Byrne Discretionary Grant	825,985.31		825,983.58	1.73
Stormwater Grant - 2023	15,000.00		15,000.00	
Ocean County Cares Act - 2023	6,259.05			6,259.05
Ocean ARP Grant	35,000.00			35,000.00
Body Armor Grant - 2023	57.34			57.34
ARP Infrastructure - 2021				
ARP Infrastructure - 2022			(100,033.81)	100,033.81
ARP				
Drive Sober or Get Pulled Over	110.27			110.27
Federal Opioid Settlement	162,105.48		162,105.48	
Recycling Tonnage Grant	37,689.90		37,689.90	
Current Year Grants:				
Municipal Alliance 2025		16,578.25		16,578.25
Senior Outreach Grant		796,000.00	456,364.44	339,635.56
Recycling Tonnage Grant		38,268.29		38,268.29
Federal Opioid Settlement		16,263.04	3,998.53	12,264.51

TOWNSHIP OF MANCHESTER

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	REF.	BALANCE DECEMBER 31, 2024	2025 BUDGET APPROPRIATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2025
Current Year Grants (Continued):					
LEAP Grant		$	$ 150,000.00	$	$ 150,000.00
Clean Energy Grant			7,500.00	7,491.25	8.75
Clean Communities Grant			141,852.20	108,909.29	32,942.91
Bulletproof Vest Partnership Grant			9,333.14	9,333.14	0.00
Sustained Enforcement Grant			154,120.00	62,160.00	91,960.00
Spotted Lanternfly Grant			20,000.00		20,000.00
		$ 2,922,330.59	$ 1,349,914.92	$ 2,643,154.10	$ 1,629,091.41
	REF.	A	A-24		A
Disbursements	A-24			$ 2,594,352.88	
Reserve for Encumbrances	A-20			527,899.91	
Reserve for Encumbrances	A-20			(479,098.69)	
				$ 2,643,154.10	

TOWNSHIP OF MANCHESTER

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

	REF.	BALANCE DECEMBER 31, 2024	RECEIPTS	UTILIZATION AS ANTICIPATED REVENUE	BALANCE DECEMBER 31, 2025
Sustained Enforcement Grant		$ 43,120.00	$	$ 43,120.00	$
Federal Opioid Settlement Grant		9,272.76	111,209.69	9,272.76	111,209.69
Municipal Drug Alliance		11,578.25		11,578.25	
		$ 63,971.01	$ 111,209.69	$ 63,971.01	$ 111,209.69
	REF.	A	A-24	A-25	A

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF CASH

	REF.	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	TRUST OPEN SPACE
Balance, December 31, 2024	B	$ 58,480.11	$ 3,292,092.19	$ 1,371,632.19
Increased by Receipts:				
Animal Control License Fees	B-2	9,800.40		
State Registration Fees	B-3	3,169.20		
Prepaid Licenses	B-4	7,628.40		
Interfunds	B-6		167,259.59	60,000.00
Miscellaneous Reserves	B-8		2,410,446.16	
Reserve for Open Space Trust Fund Expenditures	B-9			1,140,370.39
		20,598.00	2,577,705.75	1,200,370.39
		79,078.11	5,869,797.94	2,572,002.58
Decreased by Disbursements:				
Animal Control Expenditures	B-2	9,635.01		
State Registration Fees	B-3	3,064.20		
Interfunds	B-6			
Miscellaneous Reserves	B-8		2,260,054.43	
Reserve for Open Space Trust Fund Expenditures	B-9			1,319,096.24
		12,699.21	2,260,054.43	1,319,096.24
Balance, December 31, 2025	B	$ 66,378.90	$ 3,609,743.51	$ 1,252,906.34

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

	REF.		
Balance, December 31, 2024	B		$ 31,622.80
Increased by:			
Animal Control License Fees Collected	B-1		9,800.40
			41,423.20
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-1	$ 9,635.01	
Statutory Excess Due Current Fund	B-6	190.99	
			9,826.00
Balance, December 31, 2025	B		$ 31,597.20

License Fees Collected

Year	Amount
2024	$ 15,817.40
2023	15,779.80
	$ 31,597.20

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, December 31, 2024	B	$ 215.40
Increased by:		
Receipts - State Registration Fees	B-1	3,169.20
		3,384.60
Decreased by:		
Disbursements - State Registration Fees	B-1	3,064.20
Balance, December 31, 2025	B	$ 320.40

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF PREPAID LICENSES

	REF.		
Balance, December 31, 2024	B	$	25,076.60
Increased by:			
2025 Dog License Fees Collected	B-1		7,628.40
Balance, December 31, 2025	B	$	32,705.00

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT

	REF.		
Balance, December 31, 2024	B	$	30,780.00
Decreased by:			
Interfunds	B-6	$	30,780.00

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	ANIMAL CONTROL TRUST FUND	TRUST OTHER	TRUST OPEN SPACE	TRUST COMMUNITY DEVELOPMENT BLOCK GRANT
Balance, December 31, 2024 - Due From/(Due To)	B	$ 129,089.55	$ (1,565.31)	$ 99,874.86	$ 30,780.00	$
Increased/Decreased by:						
Receipts	B-1	227,259.59		167,259.59	60,000.00	
Statutory Excess in Reserve for Animal Control Trust Fund Expendtitures	B-2	190.99	190.99			
Contra	B-5				(30,780.00)	30,780.00
		227,450.58	190.99	167,259.59	29,220.00	30,780.00
		(98,361.03)	(1,756.30)	(67,384.73)	(60,000.00)	30,780.00
Decreased/Increased by:						
Contra	B-5				(30,780.00)	30,780.00
					(30,780.00)	30,780.00
Balance, December 31, 2025 - Due From/(Due To)	B	$ (98,361.03)	$ (1,756.30)	$ (67,384.73)	$ (29,220.00)	$
ANALYSIS OF BALANCE						
Due From/(Due To) Current Fund		$ (38,361.03)	$ (1,756.30)	$ (67,384.73)	$ 30,780.00	$
Due From/(Due To) General Capital Fund		(60,000.00)			(60,000.00)	
		$ (98,361.03)	$ (1,756.30)	$ (67,384.73)	$ (29,220.00)	$

"B-7"

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	REF.	TOTAL (MEMO ONLY)	TRUST OTHER	TRUST OPEN SPACE
Increased by:				
Miscellaneous Reserves	B-8	$ 177,954.54	$ 177,954.54	$
Reserve for Open Space Trust Fund Expenditures	B-9	88,755.18		88,755.18
		266,709.72	177,954.54	88,755.18
Balance, December 31, 2025	B	$ 266,709.72	$ 177,954.54	$ 88,755.18

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	REF.	BALANCE DECEMBER 31, 2024	INCREASE	DECREASE	BALANCE DECEMBER 31, 2025
Affordable Housing		$ 841,390.10	$ 432,572.94	$ 256,053.25	$ 1,017,909.79
Compensated Absences		148,218.62	40,000.00	104,118.52	84,100.10
Drug Enforcement		29,671.34	250,322.85	217,200.26	62,793.93
Escrow Deposits		1,585,610.80	544,591.36	736,638.29	1,393,563.87
Lakehurst / Manchester UCC		28,022.22	30,244.50	5,787.30	52,479.42
Manchester Day		2,254.83	23,953.00	24,253.83	1,954.00
Municipal Alliance		18,344.89	6,024.00	10,988.62	13,380.27
NJ Forfeiture			22,624.24	10,955.64	11,668.60
Parking Offense Adjudication Act		717.00	98.00		815.00
Public Defender		9,712.07	5,310.00	7,000.00	8,022.07
Recreation		31,753.21	30,476.57	36,509.49	25,720.29
Snow Removal		40,119.36		18,993.11	21,126.25
Tax Lien Redemption		459,757.89	979,787.90	915,818.15	523,727.64
Unemployment		196,394.72	44,440.80	93,692.51	147,143.01
		$ 3,391,967.05	$ 2,410,446.16	$ 2,438,008.97	$ 3,364,404.24
	REF.	B	B-1		B
Disbursements	B-1			$ 2,260,054.43	
Reserve for Encumbrances	B-7			177,954.54	
				$ 2,438,008.97	

TOWNSHIP OF MANCHESTER

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

TRUST FUND EXPENDITURES

	REF.		
Balance, December 31, 2024	B		$ 1,402,412.19
Increased by:			
Receipts	B-1		1,140,370.39
			2,542,782.58
Decreased by:			
Disbursements	B-1	$ 1,319,096.24	
Reserve for Encumbrances	B-7	88,755.18	
			1,407,851.42
Balance, December 31, 2025	B		$ 1,134,931.16

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF CASH

	REF.		
Balance, December 31, 2024	C		$ 10,245,758.10
Increased by:			
Premium on Bond Anticipation Notes Issued	C-1	$ 210,651.02	
Budget Appropriations:			
Improvement Costs	C-5	50,000.00	
Capital Improvement Fund	C-13	500,000.00	
Grants Receivable	C-6	217,959.85	
Interfunds	C-7	100,000.00	
Bond Anticipation Notes	C-10	7,837,500.00	
			8,916,110.87
			19,161,868.97
Decreased by:			
Capital Fund Balance to Current Fund	C-1	$ 100,000.00	
Interfunds	C-7	1,494,803.09	
Improvement Authorizations	C-12	14,643,205.04	
			16,238,008.13
Balance, December 31, 2025	C		$ 2,923,860.84

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

ANALYSIS OF CASH

		BALANCE DECEMBER 31, 2024	RECEIPTS	DISBURSEMENTS	TRANSFERS TO	TRANSFERS FROM	BALANCE DECEMBER 31, 2025
Fund Balance		$ 953,740.66	$ 210,651.02	$ 100,000.00	$	$	$ 1,064,391.68
Reserve for Encumbrances					3,721,213.84		3,721,213.84
Capital Improvement Fund		14,909.79	500,000.00		22,590.21	537,500.00	
Deferred Charge - Cost of Improvements Authorized						22,590.21	(22,590.21)
Interfunds			100,000.00	1,494,803.09		60,000.00	(1,454,803.09)
Grants Receivable			217,959.85			314,775.00	(96,815.15)
Improvement Authorizations:							
DATE OR ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION						
16-004/16-035	Various Capital Improvements	(137,149.55)	50,000.00				(87,149.55)
19-012/20-007	Emergency Service Equipment	74,025.12					74,025.12
20-033	EMS Equipment	64,356.98		61,744.09			2,612.89
20-036	Public Works Improvements	104,953.70				44,071.32	60,882.38
20-038	Purchase of Whiting First Aid Building	32,781.91		24,589.36			8,192.55
21-015	Fire Equipment	7,902.06					7,902.06
21-022	Purchase of Body Worn Cameras	(36,261.00)				8,351.00	(44,612.00)
21-043	Various Fire Equipment	294.67					294.67
22-019	Various Capital Improvements	108,723.59		7,912.51		12,493.19	88,317.89
23-006	Police Locker Room Renovations	4,245.08					4,245.08
23-022	Police and Fire Equipment	983,932.73		933,807.51		30,266.57	19,858.65
24-019	Police Communications Upgrade	4,596,251.01		2,356,416.85		1,156,807.38	1,083,026.78
24-022	Various Capital Improvements	3,473,051.35		2,526,876.76		1,235,033.97	(288,859.38)
25-012	Communication Center Upgrades		712,500.00		37,500.00		750,000.00
25-013	Communication Center Upgrades		7,125,000.00	7,500,000.00	375,000.00		
25-026	Improvements to Congasia Road			296,581.12	314,775.00	73,432.21	(55,238.33)
25-031	Capital Improvements to Block 1.371 Lot 1 and Acquisition of Various Capital Equipment			12,300.00	60,000.00	118,000.00	(70,300.00)
25-032	Various Capital Improvements and Acquisition of Various Capital Equipment			922,976.84	125,000.00	1,042,758.20	(1,840,735.04)
		$ 10,245,758.10	$ 8,916,110.87	$ 16,238,008.13	$ 4,656,079.05	$ 4,656,079.05	$ 2,923,860.84
	REF.	C	C-2	C-2			C

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	REF.		
Balance, December 31, 2024	C		$ 12,664,113.03
Decreased by:			
2025 Budget Appropriations to Pay Bonds	C-9	$ 2,575,000.00	
2025 Budget Appropriations to Pay Green Trust Loans	C-11	31,164.96	
			2,606,164.96
Balance, December 31, 2025	C		$ 10,057,948.07

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	REF.	BALANCE DECEMBER 31, 2024	2025 AUTHORIZATIONS	NOTES PAID BY BUDGET APPROPRIATION	FUNDED BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2025	ANALYSIS OF BALANCE DECEMBER 31, 2025: BOND ANTICIPATION NOTES	ANALYSIS OF BALANCE DECEMBER 31, 2025: EXPENDITURES	ANALYSIS OF BALANCE DECEMBER 31, 2025: UNEXPENDED IMPROVEMENT AUTHORIZATIONS
16-004/16-035	Various Capital Improvements		$ 137,149.55	$	$	$ 50,000.00	$ 87,149.55	$	$ 87,149.55	$
19-012/20-007	Emergency Service Equipment		360,000.00		19,000.00		341,000.00	341,000.00		
20-038	Purchase of Whiting First Aid Building		593,750.00		8,000.00		585,750.00	585,750.00		
21-015	Fire Equipment		722,000.00		38,000.00		684,000.00	684,000.00		
21-022	Purchase of Body Worn Cameras		44,612.00				44,612.00		44,612.00	
22-019	Various Capital Improvements		2,523,804.00		96,000.00		2,427,804.00	2,427,804.00		
23-022	Police and Fire Equipment		1,900,000.00				1,900,000.00	1,900,000.00		
24-019	Police Communications Upgrade		4,370,000.00				4,370,000.00	4,370,000.00		
24-022	Various Capital Improvements		5,130,000.00				5,130,000.00	4,000,000.00	288,859.38	841,140.62
25-012	Communication Center Upgrades			712,500.00			712,500.00	712,500.00		
25-013	Communication Center Upgrades			7,125,000.00			7,125,000.00	7,125,000.00		
25-026	Improvements to Corgasia Road			135,225.00			135,225.00		55,238.33	79,986.67
25-031	Capital improvements to Block 1.371 Lot 1 and Acquisition of Various Capital Equipment			1,140,000.00			1,140,000.00		70,300.00	1,069,700.00
25-022	Various Capital Improvements and Acquisition of Various Capital Equipment			2,375,000.00			2,375,000.00		1,840,735.04	534,264.96
			$ 15,781,315.55	$ 11,487,725.00	$ 161,000.00	$ 50,000.00	$ 27,058,040.55	$ 22,146,054.00	$ 2,386,894.30	$ 2,525,092.25
		REF.	C	C-12	C-10	C-2	C	C-10	C-3	C-5
Improvement Authorizations - Unfunded		C-12								$ 4,518,915.30
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:										
Ordinance Number	**Improvement Description**									
19-012/20-007	Emergency Service Equipment								$ 74,025.12	
20-038	Purchase of Whiting First Aid Building								8,192.55	
21-015	Fire Equipment								7,902.06	
22-019	Various Capital Improvements								88,317.89	
23-022	Police and Fire Equipment								19,858.65	
24-019	Police Communications Upgrade								1,083,026.78	
25-012	Communication Center Upgrades								712,500.00	
										1,993,823.05
		C-5								$ 2,525,092.25

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	REF.	
Increased by:		
Grants Awarded	C-12	$ 314,775.00
		314,775.00
Decreased by:		
Receipts	C-2	217,959.85
Balance, December 31, 2025	C	$ 96,815.15

ANALYSIS OF BALANCE

Improvement to Congasia Road (DOT) (25-026)	$ 96,815.15
	$ 96,815.15

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	CURRENT FUND	OPEN SPACE TRUST FUND	WATER EASTERN OPERATING FUND	WATER EASTERN CAPITAL FUND
Balance, December 31, 2024 - Due From/(Due To)	C	$	$	$	$	$
Increased/Decreased by:						
Disbursements	C-2	1,494,803.09	475,011.18		42,791.91	977,000.00
Improvement Authorizations	C-12	60,000.00		60,000.00		
Total Increases		1,554,803.09	475,011.18	60,000.00	42,791.91	977,000.00
Total Increases and Balances		1,554,803.09	475,011.18	60,000.00	42,791.91	977,000.00
Decreased/Increased by:						
Receipts	C-2	100,000.00	100,000.00			
Balance, December 31, 2025 - Due From/(Due To)	C	$ 1,454,803.09	$ 375,011.18	$ 60,000.00	$ 42,791.91	$ 977,000.00

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGE - COST OF IMPROVEMENTS AUTHORIZED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION		INCREASED	BALANCE DECEMBER 31, 2025
25-012	Communications Center Upgrades *		$ 22,590.21	$ 22,590.21
			$ 22,590.21	$ 22,590.21
		REF.	C-13	C

* Insufficient Capital Improvement Fund Moneys Were Available at the Time That This Ordinance Was Introduced. The General Ledger Did Not Reflect the Correct Starting Balance for the Capital Improvement Fund.

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
2015 Refunding Bonds	3/01/2015	$ 8,135,000.00	3/01/2026	$ 760,000.00	2.500%	$ 1,535,000.00	$ 775,000.00	$ 760,000.00
Series 2017	8/30/2017	9,800,000.00	10/15/2026	905,000.00	2.250%			
			10/15/2027	925,000.00	2.250%			
			10/15/2028	950,000.00	2.500%			
			10/15/2029	960,000.00	2.500%	4,620,000.00	880,000.00	3,740,000.00
Series 2020	12/02/2020	7,447,000.00	12/01/2026	835,000.00	4.000%			
			12/01/2027	840,000.00	4.000%			
			12/01/2028	875,000.00	4.000%			
			12/01/2029	910,000.00	4.000%	4,280,000.00	820,000.00	3,460,000.00
Series 2020 Open Space	12/02/2020	2,415,000.00	12/01/2026	105,000.00	4.000%			
			12/01/2027	110,000.00	4.000%			
			12/01/2028-29	115,000.00	4.000%			
			12/01/2030	120,000.00	1.375%			
			12/01/2031	125,000.00	1.500%			
			12/01/2032	125,000.00	1.625%			
			12/01/2033-34	130,000.00	2.000%			
			12/01/2035-36	135,000.00	2.000%			
			12/01/2037-38	140,000.00	2.000%			
			12/01/2039-40	145,000.00	2.000%	2,015,000.00	100,000.00	1,915,000.00
						$ 12,450,000.00	$ 2,575,000.00	$ 9,875,000.00
					REF.	C	C-4	C

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
19-012/20-007	Emergency Service Equipment	8/11/2022	5/07/2025	5/06/2026	4.5000%	$ 360,000.00	$	$ 19,000.00	$ 341,000.00
20-038	Purchase of Whiting First Aid Building	8/11/2022	5/07/2025	5/06/2026	4.5000%	593,750.00		8,000.00	585,750.00
21-015	Fire Equipment	8/11/2022	5/07/2025	5/06/2026	4.5000%	722,000.00		38,000.00	684,000.00
22-019	Various Capital Improvements	8/11/2022	5/07/2025	5/06/2026	4.5000%	2,523,804.00		96,000.00	2,427,804.00
23-022	Police and Fire Equipment	8/05/2023	5/07/2025	5/06/2026	4.5000%	1,900,000.00			1,900,000.00
24-019	Police Communications Upgrade	5/09/2024	5/07/2025	5/06/2026	4.5000%	4,370,000.00			4,370,000.00
24-022	Various Capital Improvements	5/09/2024	5/07/2025	5/06/2026	4.5000%	4,000,000.00			4,000,000.00
25-012	Communication Center Upgrades	5/07/2025	5/07/2025	5/06/2026	4.5000%		712,500.00		712,500.00
25-013	Communication Center Upgrades	5/07/2025	5/07/2025	5/06/2026	4.5000%		7,125,000.00		7,125,000.00
						$ 14,469,554.00	$ 7,837,500.00	$ 161,000.00	$ 22,146,054.00
					REF.	C	C-2	C-5	C

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

PURPOSE	DATE OF ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Pine Lake Park Phase II	8/09/2011	See C-11 - Sheet 2		2.00%	$ 82,252.75	$ 11,972.20	$ 70,280.55
Manchester Soccer Complex	8/09/2011	See C-11 - Sheet 3		2.00%	131,860.28	19,192.76	112,667.52
					$ 214,113.03	$ 31,164.96	$ 182,948.07
				REF.	C	C-4	C

"C-11"
SHEET #2

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

MATURITY SCHEDULE $218,028.19 GREEN TRUST - 2011 - PINE LAKE PARK PHASE II

DUE	LOAN BALANCE	PRINCIPAL	INTEREST	PAYMENT
2026	$ 70,280.55	$ 12,212.84	$ 1,344.85	$ 13,557.69
2027	58,067.71	12,458.32	1,099.38	13,557.70
2028	45,609.39	12,708.73	848.96	13,557.69
2029	32,900.66	12,964.18	593.52	13,557.70
2030	19,936.48	13,224.75	332.93	13,557.68
2031	6,711.73	6,711.73	67.12	6,778.85
TOTAL		$ 70,280.55	$ 4,286.76	$ 74,567.31

"C-11"
SHEET #3

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

MATURITY SCHEDULE $349,523.44 GREEN TRUST - 2011 MANCHESTER SOCCER COMPLEX

DUE	LOAN BALANCE	PRINCIPAL	INTEREST	PAYMENT
2026	$ 112,667.52	$ 19,578.54	$ 2,155.95	$ 21,734.49
2027	93,088.98	19,972.07	1,762.42	21,734.49
2028	73,116.91	20,373.50	1,360.98	21,734.48
2029	52,743.41	20,783.02	951.47	21,734.49
2030	31,960.39	21,200.75	533.73	21,734.48
2031	10,759.64	10,759.64	107.60	10,867.24
TOTAL		$ 112,667.52	$ 6,872.15	$ 119,539.67

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	2025 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
19-012/20-007	Emergency Service Equipment	4/29/2019 & 2/24/2020	$ 1,900,000.00	$	$ 74,025.12	$	$	$	$ 74,025.12
20-033	EMS Equipment	9/28/2020	750,000.00	64,356.98			61,744.09	2,612.89	
20-036	Public Works Improvements	11/16/2020	3,918,500.00	104,878.70	75.00		44,071.32	60,882.38	
20-038	Purchase of Whiting First Aid Building	12/14/2020	625,000.00		32,781.91		24,589.36		8,192.55
21-015	Fire Equipment	4/26/2021	760,000.00		7,902.06				7,902.06
21-022	Purchase of Body Worn Cameras	6/28/2021	210,000.00		8,351.00		8,351.00		
21-043	Various Fire Equipment	12/20/2021	100,000.00	294.67				294.67	
22-019	Various Capital Improvements	6/27/2022	2,650,000.00		108,723.59		20,405.70		88,317.89
23-006	Police Locker Room Renovations	3/27/2023	53,000.00	4,245.08				4,245.08	
23-022	Police and Fire Equipment	6/26/2023	2,000,000.00		983,932.73		964,074.08		19,858.65
24-019	Police Communications Upgrade	5/28/2024	4,600,000.00	226,251.01	4,370,000.00		3,513,224.23		1,083,026.78
24-022	Various Capital Improvements	5/28/2024	5,400,000.00		4,603,051.35		3,761,910.73		841,140.62
25-012	Communication Center Upgrades	3/24/2025	750,000.00			750,000.00		37,500.00	712,500.00
25-013	Communication Center Upgrades	3/24/2025	7,500,000.00			7,500,000.00	7,500,000.00		
25-026	Improvements to Congasia Road	7/28/2025	450,000.00			450,000.00	370,013.33		79,986.67
25-031	Capital Improvements to Block 1.371 Lot 1 and Acquisition of Various Capital Equipment	9/08/2025	1,200,000.00			1,200,000.00	130,300.00		1,069,700.00
25-032	Various Capital Improvements and Acquisition of Various Capital Equipment	8/25/2025	2,500,000.00			2,500,000.00	1,965,735.04		534,264.96
				$ 400,026.44	$ 10,188,842.76	$ 12,400,000.00	$ 18,364,418.88	$ 105,535.02	$ 4,518,915.30
			REF.	C	C			C	C
	Deferred Charges to Future Taxation Unfunded		C-5			$ 11,487,725.00			
	Grants Receivable		C-6			314,775.00			
	Interfunds Receivable		C-7			60,000.00			
	Capital Improvement Fund		C-13			537,500.00			
						$ 12,400,000.00			
	Disbursements		C-2				$ 14,643,205.04		
	Reserve for Encumbrances		C-14				3,721,213.84		
							$ 18,364,418.88		

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.		
Balance, December 31, 2024	C		$ 14,909.79
Increased by:			
Deferred Charge:			
Cost of Improvements Authorized			
Ordinance 25-012	C-8	$ 22,590.21	
2025 Budget Appropriation	C-2	500,000.00	
			522,590.21
			537,500.00
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-12		$ 537,500.00

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Increased by:		
Transfer from Improvement Authorizations	C-12	$ 3,721,213.84
Balance, December 31, 2025	C	$ 3,721,213.84

TOWNSHIP OF MANCHESTER

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION		BALANCE DECEMBER 31, 2025
16-004/16-035	Various Capital Improvements	$	87,149.55
21-022	Purchase of Body Worn Cameras		44,612.00
24-022	Various Capital Improvements		1,130,000.00
25-026	Improvement to Congasia Road		135,225.00
25-031	Capital Improvements to Block 1.371 Lot 1 and Acquisition of Various Capital Equipment		1,140,000.00
25-032	Various Capital Improvements and Acquisition of Various Capital Equipment		2,375,000.00
		$	4,911,986.55
	REF.		C

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY FUND

SCHEDULE OF WATER EASTERN UTILITY CASH

	REF.	OPERATING	CAPITAL
Balance, December 31, 2024	D	$ 1,011,035.97	$ 603,351.18
Increased by Receipts:			
Water Rents	D-3	3,580,346.66	
Water Miscellaneous	D-3	609,849.56	
Interfunds	D-11	76,937.52	
Overpayments	D-12	27,170.37	
Reserve for Escrow Deposits	D-14	111,417.46	
Interfunds	D-18		1,977,000.00
Other Receivables	D-19		746,501.04
Budget Appropriation:			
Capital Improvement Fund	D-24		100,000.00
Miscellaneous Reserves	D-25		7,607.50
		4,405,721.57	2,831,108.54
		5,416,757.54	3,434,459.72
Decreased by Disbursements:			
Refund of Prior Year Revenue	D-1	7,005.10	
Budget Appropriations	D-4	2,964,603.19	
Appropriation Reserves	D-10	133,773.14	
Accrued Interest on Bonds, Notes and Loans	D-13	186,916.81	
Reserve for Escrow Deposits	D-14	95,170.86	
Other Receivables	D-19		543,994.83
Improvement Authorizations	D-23		1,935,802.65
		3,387,469.10	2,479,797.48
Balance, December 31, 2025	D	$ 2,029,288.44	$ 954,662.24

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

ANALYSIS OF UTILITY CAPITAL CASH

		BALANCE DECEMBER 31, 2024	RECEIPTS	DISBURSEMENTS	TRANSFERS TO	TRANSFERS FROM	BALANCE DECEMBER 31, 2025
Fund Balance		$ 41,053.66	$	$	$	$	$ 41,053.66
Miscellaneous Reserves		219,820.62	7,607.50			3,700.00	223,728.12
Capital Improvement Fund		1,016,495.39	100,000.00				1,116,495.39
Interfunds (Net)		(187,596.72)	1,977,000.00				1,789,403.28
Reserve for Encumbrances					2,360,634.33		2,360,634.33
Other Receivables		(1,179,894.95)	746,501.04	543,994.83			(977,388.74)
Improvement Authorizations:							
DATE OR ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION						
15-021	Acquisition of a Tractor and Generator	57,544.58		53,903.80			3,640.78
15-024	Upgrade Wells #10/11	121,829.52		121,829.52			
17-013	Painting and Repair of Township's Elevated Water Storage Tank	250,681.09					250,681.09
18-015	Water Meter Acquisition	(379,081.99)		3,750.00			(382,831.99)
20-003	Construction of Elevated Water Tank	90,613.48					90,613.48
21-003	Various Water Utility Improvements	2,563.71					2,563.71
21-041	Various Water Eastern Upgrades	71,006.87		68,111.87		2,895.00	
24-018	Water Main Buckingham Drive	478,315.92				628.43	477,687.49
24-020	Various Capital Improvements			1,688,007.46		2,104,053.20	(3,792,060.66)
25-033	Acquisition of Vehicles and Equipment			200.00		249,357.70	(249,557.70)
		$ 603,351.18	$ 2,831,108.54	$ 2,479,797.48	$ 2,360,634.33	$ 2,360,634.33	$ 954,662.24
	REF.	D	D-5	D-5			D

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	REF.		
Balance, December 31, 2024	D	$	145,152.65
Increased by:			
Water Rents Levied			3,648,443.61
			3,793,596.26
Decreased by:			
Collection	D-3:D-5		3,580,346.66
Balance, December 31, 2025	D	$	213,249.60

"D-8"

SCHEDULE OF INVENTORY

Balance, December 31, 2024	D	$	139,912.72
Decreased by:			
Adjustment to Actual Inventory			26,830.90
Balance, December 31, 2025	D	$	113,081.82

"D-9"

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

	REF.	BALANCE DEC. 31, 2024	RAISED IN 2025 BUDGET	BALANCE DEC. 31, 2025
Deficit in Operations		$ 191,656.11	$ 191,656.11	$
		$ 191,656.11	$ 191,656.11	$
	REF.	D	D-4	D

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

	REF.	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating					
Salaries and Wages		$ 23,993.50	$ 23,993.50	$	$ 23,993.50
Other Expenses		254,562.17	254,562.17	133,773.14	120,789.03
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)		8,050.08	8,050.08		8,050.08
		$ 286,605.75	$ 286,605.75	$ 133,773.14	$ 152,832.61
				D-5	D-1
Appropriation Reserves - 2024	D	$ 123,068.52			
Reserve for Encumbrances	D-15	163,537.23			
		$ 286,605.75			

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	GENERAL CAPITAL FUND	WATER WESTERN SERVICE OPERATING FUND
Balance, December 31, 2024 - Due From/(Due To)	D	$	$	$
Increased/Decreased by:				
Receipts	D-5	76,937.52	42,791.91	34,145.61
Balance, December 31, 2025 - Due From/(Due To)	D	$ (76,937.52)	$ (42,791.91)	$ (34,145.61)

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF OVERPAYMENTS

	REF.		
Increased by:			
Receipts	D-5		$ 27,170.37
Balance, December 31, 2025	D		$ 27,170.37

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	REF.		
Increased by:	D		$ 15,887.50
Budget Appropriations for:			
Interest on Bonds		$ 106,938.00	
Interest on Notes		44,550.00	
Interest on Loans		30,843.00	
Decreased by:	D-4		182,331.00
			198,218.50
Bal Interest Paid	D-5		186,916.81
	D		$ 11,301.69

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ESCROW DEPOSITS

	REF.		
Balance, December 31, 2024	D	$	400,197.93
Increased by:			
Receipts	D-5		111,417.46
			511,615.39
Decreased by:			
Disbursements	D-5		95,170.86
Balance, December 31, 2025	D	$	416,444.53

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	REF.	OPERATING FUND	CAPITAL FUND
Balance, December 31, 2024	D	$ 163,537.23	$
Increased by:			
Transfer from 2025 Budget Appropriations	D-4	48,833.53	
Transfer from Improvement Authorizations	D-23		2,356,934.33
Miscellaneous Reserves	D-25		3,700.00
		48,833.53	2,360,634.33
		212,370.76	2,360,634.33
Decreased by:			
Transfer to Appropriation Reserves	D-10	163,537.23	
Balance, December 31, 2025	D	$ 48,833.53	$ 2,360,634.33

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER 31, 2024	ADDITIONS ORDINANCE	BALANCE DECEMBER 31, 2025
Eastern Water Infrastructure	$ 23,113,779.55	$ (13,271,109.32)	$ 9,842,670.23
Acquisition of a Tractor and Generator Ordinance 15-021		91,859.22	91,859.22
Upgrade Wells #10/11 Ordinance 15-024		520,000.00	520,000.00
Painting and Repair of Township's Elevated Water Storage Tank Ordinance 17-013		837,501.91	837,501.91
Water Meter Acquisition Ordinance 18-015		2,733,823.99	2,733,823.99
Construction of Elevated Water Tank Ordinance 20-003		6,125,386.52	6,125,386.52
Various Water Utility Improvements Ordinance 21-003		987,436.29	987,436.29
Various Water Eastern Upgrades Ordinance 21-041		500,000.00	500,000.00
Water Main Buckingham Drive Ordinance 24-018		1,722,312.51	1,722,312.51
Various Capital Improvements Ordinance 24-020		3,792,060.66	3,792,060.66
Acquisition of Vehicles and Equipment Ordinance 25-033		249,557.50	249,557.50
	$ 23,113,779.55	$ 4,288,829.28	$ 27,402,608.83
REF.	D	D-17	D

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	2025 AUTHORIZATIONS DEFERRED RESERVE FOR AMORTIZATION	2025 AUTHORIZATIONS DEFERRED CHARGES TO FUTURE REVENUE	COSTS TO FIXED CAPITAL	AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2025
15-021	Acquisition of a Tractor and Generator	11/09/2015	$ 95,500.00	$ 57,544.58	$	$	$ 53,903.80	$	$ 3,640.78
15-024	Upgrade Wells #10/11	11/09/2015	520,000.00	121,829.52			121,829.52		
17-013	Painting and Repair of Township's Elevated Water Storage Tank	8/28/2017	1,500,000.00	662,498.09					662,498.09
18-015	Water Meter Acquisition	6/25/2018	3,000,000.00	269,926.01			3,750.00		266,176.01
20-003	Construction of Elevated Water Tank	2/10/2020	6,216,000.00	90,613.48					90,613.48
21-003	Various Water Utility Improvements	1/25/2021	990,000.00	2,563.71					2,563.71
21-041	Various Water Eastern Upgrades	11/22/2021	500,000.00	71,006.87			71,006.87		
2023	Reserve for PFOS Expenditures	2023	56,827.22		56,827.22		(3,907.50)		60,734.72
2023	Reserve for Preliminary Engineering	2023	162,993.40		162,993.40				162,993.40
24-018	Water Main Buckingham Drive	5/28/2024	2,200,000.00	478,315.92			628.43		477,687.49
24-020	Various Capital Improvements	5/28/2024	4,145,000.00	4,145,000.00			3,792,060.66	400.00	352,539.34
25-033	Acquisition of Vehicles and Equipment	8/25/2025	250,000.00			250,000.00	249,557.50		442.50
				$ 5,899,298.18	$ 219,820.62	$ 250,000.00	$ 4,288,829.28	$ 400.00	$ 2,079,889.52
			REF.	D	D-27	D-23	D-16	D-23	D

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	CURRENT FUND	GENERAL CAPITAL FUND	SEWER EASTERN SERVICE CAPITAL FUND
Balance December 31, 2024 - Due From/(Due To)	D	$ 187,596.72	$ 187,596.72	$	$
Increased by:					
Receipts	D-5	1,977,000.00		977,000.00	1,000,000.00
Balance December 31, 2025 - Due From/(Due To)	D	$ (1,789,403.28)	$ 187,596.72	$ (977,000.00)	$ (1,000,000.00)

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF OTHER RECEIVABLES

	REF.	BALANCE DECEMBER 31, 2024	INCREASE/ (DECREASE)	BALANCE DECEMBER 31, 2025
Due from Joint Base		$ 328,156.91	$ 90,096.00	$ 418,252.91
Due from County of Ocean - Buckingham Drive		851,738.04	(292,602.21)	559,135.83
		$ 1,179,894.95	$ (202,506.21)	$ 977,388.74
	REF.	D		D
Receipts	D-5		$ 746,501.04	
Disbursements	D-5		(543,994.83)	
			$ 202,506.21	

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DEC. 31, 2025		INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
			DATE	AMOUNT				
Water Utility Bonds	12/17/2020	$ 5,478,000.00	12/01/2026	$ 235,000.00	4.000%	$	$	$
			12/01/2027	245,000.00	4.000%			
			12/01/2028	255,000.00	4.000%			
			12/01/2029	265,000.00	4.000%			
			12/01/2030	275,000.00	1.375%			
			12/01/2031	280,000.00	1.500%			
			12/01/2032	285,000.00	1.625%			
			12/01/2033	290,000.00	2.000%			
			12/01/2034	299,500.00	2.000%			
			12/01/2035	300,000.00	2.000%			
			12/01/2036	310,000.00	2.000%			
			12/01/2037	315,000.00	2.000%			
			12/01/2038	320,000.00	2.000%			
			12/01/2039	325,000.00	2.000%			
			12/01/2040	335,000.00	2.000%	4,565,000.00	235,000.00	4,330,000.00
						$ 4,565,000.00	$ 235,000.00	$ 4,330,000.00
					REF	D	D-26	D

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
21-003	Various Water Utility Improvements	8/11/2022	5/07/2025	5/6/2026	4.50%	$ 990,000.00	$ 13,000.00	$ 977,000.00
						$ 990,000.00	$ 13,000.00	$ 977,000.00
					REF.	D	D-26	D

"D-22"
SHEET #1

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE

PURPOSE	DATE OF ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Loan Proceeds Not Required to be Reimbursed	2021			0.00%	$ 77,857.00	$ 77,857.00	$
New Jersey Environmental Infrastructure Trust - 2021A-1 (CW)	2021	See D-22 - Sheet 2		Various	500,000.00	25,000.00	475,000.00
New Jersey Environmental Infrastructure Fund - 2021A-1 (CW)	2021	See D-22 - Sheet 3		0.00%	1,490,366.66	93,147.91	1,397,218.75
New Jersey Environmental Infrastructure Trust - 2021A-1 (DW)	2021	See D-22 - Sheet 4		Various	795,000.00	40,000.00	755,000.00
New Jersey Environmental Infrastructure Fund - 2021A-1 (DW)	2021	See D-22 - Sheet 5		0.00%	44,264.98	2,766.55	41,498.43
					$ 2,907,488.64	$ 238,771.46	$ 2,668,717.18
				REF.	D		D
Paid by Operating Budget				D-26		$ 160,914.46	
Canceled				D-26		77,857.00	
						$ 238,771.46	

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK TRUST LOAN PAYABLE

PURPOSE	DATE OF ISSUE	MATURITIES OF LOAN OUTSTANDING DECEMBDER 31, 2025 DATE	MATURITIES OF LOAN OUTSTANDING DECEMBDER 31, 2025 AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Eastern Service Utility System Clean Water	2021	2026-29	$ 25,000.00	5.00%	$	$	$
		2030	30,000.00	4.00%			
		2031-33	30,000.00	3.00%			
		2034-35	35,000.00	3.00%			
		2036	35,000.00	2.00%			
		2037-38	35,000.00	3.00%			
		2039-40	40,000.00	2.00%	500,000.00	25,000.00	475,000.00
					$ 500,000.00	$ 25,000.00	$ 475,000.00

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK FUND LOAN PAYABLE

PURPOSE	DATE OF ISSUE	MATURITIES OF LOAN OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Eastern Service Utility System Clean Water	2021	2026-39	$ 93,147.91	0.00%	$	$	$
		2040	93,148.01	0.00%	1,490,366.66	93,147.91	1,397,218.75
					$ 1,490,366.66	$ 93,147.91	$ 1,397,218.75

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK TRUST LOAN PAYABLE

PURPOSE	DATE OF ISSUE	MATURITIES OF LOAN OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Eastern Service Utility System Drinking Water	2021	2026	$ 40,000.00	5.00%	$	$	$
		2027-29	45,000.00	5.00%			
		2030	50,000.00	4.00%			
		2031-34	50,000.00	3.00%			
		2035	55,000.00	3.00%			
		2036	55,000.00	2.00%			
		2037-38	55,000.00	3.00%			
		2039-40	55,000.00	2.00%	795,000.00	40,000.00	755,000.00
					$ 795,000.00	$ 40,000.00	$ 755,000.00

"D-22"
SHEET 5

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK FUND LOAN PAYABLE

PURPOSE	DATE OF ISSUE	MATURITIES OF LOAN OUTSTANDING DECEMBER 31, 2025		INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
		DATE	AMOUNT				
Eastern Service Utility System Drinking Water	2021	2026-39	$ 2,766.55	0.00%	$	$	$
		2040	2,766.73	0.00%	44,264.98	2,766.55	41,498.43
					$ 44,264.98	$ 2,766.55	$ 41,498.43

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	2025 AUTHORIZATIONS	PAID OR CHARGED	AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
15-021	Acquisition of a Tractor and Generator	11/09/2015	$ 95,500.00	$ 57,544.58	$	$	$ 53,903.80	$	$ 3,640.78	$
15-024	Upgrade Wells #10/11	11/09/2015	520,000.00	121,829.52			121,829.52			
17-013	Painting and Repair of Township's Elevated Water Storage Tank	8/28/2017	1,500,000.00		662,498.09				250,681.09	411,817.00
18-015	Water Meter Acquisition	6/25/2018	3,000,000.00		269,926.01		3,750.00			266,176.01
20-003	Construction of Elevated Water Tank	2/10/2020	6,216,000.00	90,613.48					90,613.48	
21-003	Various Water Utility Improvements	1/25/2021	990,000.00		2,563.71					2,563.71
21-041	Various Water Eastern Upgrades	11/22/2021	500,000.00	71,006.87			71,006.87			
24-018	Water Main Buckingham Drive	5/28/2024	2,200,000.00	478,315.92			628.43		477,687.49	
24-020	Various Capital Improvements	5/28/2024	4,145,000.00		4,145,000.00		3,792,060.66	400.00		352,539.34
25-033	Acquisition of Vehicles and Equipment	8/25/2025	250,000.00			250,000.00	249,557.70			442.30
				$ 819,310.37	$ 5,079,987.81	$ 250,000.00	$ 4,292,736.98	$ 400.00	$ 822,622.84	$ 1,033,538.36
			REF.	D	D	D-17		D-17	D	D
	Disbursements		D-5				$ 1,935,802.65			
	Reserve for Encumbrances		D-15				2,356,934.33			
							$ 4,292,736.98			

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.	
Balance December 31, 2024	D	$ 1,016,495.39
Increased by:		
2025 Budget Appropriation	D-5	100,000.00
Balance December 31, 2025	D	$ 1,116,495.39

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	REF.	BALANCE DECEMBER 31, 2024	INCREASE/ (DECREASE)	BALANCE DECEMBER 31, 2025
Reserve for PFOS Expenditures		$ 56,827.22	$ 3,907.50	$ 60,734.72
Reserve for Preliminary Engineering		162,993.40		162,993.40
		$ 219,820.62	$ 3,907.50	$ 223,728.12
	REF.	D		D
Receipts	D-5		$ 7,607.50	
Reserve for Encumbrances	D-15		(3,700.00)	
			$ 3,907.50	

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2024	D		$ 11,901,264.09
Increased by:			
Serial Bonds Paid by Operating Budget	D-20	$ 235,000.00	
Bond Anticipation Notes Paid by Operating Budget	D-21	13,000.00	
NJ Infrastructure Loans Paid by Operating Budget	D-22	160,914.46	
NJ Infrastructure Loans Canceled	D-22	77,857.00	
From Deferred Reserve for Amortization	D-27	2,616,969.66	
			3,103,741.12
Balance, December 31, 2025	D		$ 15,005,005.21

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2024	FIXED CAPITAL AUTHORIZED	FROM/(TO) RESERVE FOR AMORTIZATION FIXED CAPITAL	BALANCE DECEMBER 31, 2025
15-021	Acquisition of a Tractor and Generator	11/09/2015	$ 95,500.00	$	$ (91,859.22)	$ 3,640.78
15-024	Ugrade Wells #10/11	11/09/2015	520,000.00		(520,000.00)	
17-013	Painting and Repair of Township's Elevated Water Storage Tank	8/28/2017			250,681.09	250,681.09
20-003	Construction of Elevated Water Tank	2/10/2020			90,613.48	90,613.48
21-041	Various Water Eastern Upgrades	11/22/2021	500,000.00		(500,000.00)	
23-220	PFOS Joint Base	4/24/2023	128,000.00		(128,000.00)	
2023	Reserve for PFOS Expenditures	2023		56,827.22	3,907.50	60,734.72
2023	Reserve for Preliminary Engineering	2023		162,993.40		162,993.40
24-018	Water Main Buckingham Drive	5/28/24	2,200,000.00		(1,722,312.51)	477,687.49
			$ 3,443,500.00	$ 219,820.62	$ (2,616,969.66)	$ 1,046,350.96
		REF.	D	D-17	D-26	D

TOWNSHIP OF MANCHESTER

WATER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION		BALANCE DECEMBER 31, 2025
17-013	Painting and Repair of Township's Elevated Water Storage Tank		$ 411,817.00
18-015	Water Meter Acquisition		649,008.00
24-020	Various Capital Improvements		4,144,600.00
25-033	Acquisition of Vehicles & Equipment		250,000.00
			$ 5,455,425.00
		REF.	D

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY FUND

SCHEDULE OF CASH

	REF.	OPERATING	CAPITAL
Balance, December 31, 2024	E	$ 4,582,031.17	$ 2,868,801.60
Increased by Receipts:			
Sewer Rents	E-3	3,978,728.51	
Sewer Miscellaneous	E-3	217,277.15	
Interfunds	E-9	24,119.99	
Overpayments	E-11	17,126.93	
Reserve for Escrow Deposits	E-12	94,224.49	
Interfunds	E-15		382,156.58
Budget Appropriation:			
Capital Improvement Fund	E-16		100,000.00
		4,331,477.07	482,156.58
		8,913,508.24	3,350,958.18
Decreased by Disbursements:			
Payment to Current Fund as Anticipated Revenue	E-1	2,000,000.00	
Budget Appropriations	E-4	4,308,182.05	
Interfunds	E-9	4,591.16	
Appropriation Reserves	E-10	79,043.60	
Reserve for Escrow Deposits	E-12	139,314.11	
Interfunds	E-15		1,717,565.42
		6,531,130.92	1,717,565.42
Balance, December 31, 2025	E	$ 2,382,377.32	$ 1,633,392.76

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY CAPITAL FUND

ANALYSIS OF CASH - CAPITAL FUND

	BALANCE DECEMBER 31, 2024	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2025
Fund Balance	$ 3,815.00	$	$	$ 3,815.00
Capital Improvement Fund	3,033,947.73	100,000.00		3,133,947.73
Interfunds	(168,961.13)	382,156.58	1,717,565.42	(1,504,369.97)
	$ 2,868,801.60	$ 482,156.58	$ 1,717,565.42	$ 1,633,392.76
REF.	E	E-5	E-5	E

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	REF.		
Balance, December 31, 2024	E	$	57,849.22
Increased by:			
Sewer Rents Levied			4,013,945.32
			4,071,794.54
Decreased by:			
Collection	E-3:E-5		3,978,728.51
Balance, December 31, 2025	E	$	93,066.03

"E-8"

SCHEDULE OF INVENTORY

Balance, December 31, 2024	E	$	68,959.07
Decreased by:			
Adjustment to Actual Inventory			12,630.35
Balance, December 31, 2025	E	$	56,328.72

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	WATER WESTERN SERVICE OPERATING FUND	SEWER WESTERN SERVICE OPERATING FUND	SEWER EASTERN SERVICE CAPITAL FUND
Balance, December 31, 2024 - Due From/(Due To)	E	$ 1,038.87	$	$	$ 1,038.87
Increased/Decreased by:					
Receipts	E-5	24,119.99	126.96	23,993.03	
		(23,081.12)	(126.96)	(23,993.03)	1,038.87
Decreased/Increased by:					
Disbursements	E-5	4,591.16			4,591.16
Balance, December 31, 2025 - Due From/(Due To)	E	$ (18,489.96)	$ (126.96)	$ (23,993.03)	$ 5,630.03

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

	REF.	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating					
Salaries and Wages		$ 63,399.25	$ 63,399.25	$	$ 63,399.25
Other Expenses		659,221.67	659,221.67	79,043.60	580,178.07
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)		14,295.89	14,295.89		14,295.89
		$ 736,916.81	$ 736,916.81	$ 79,043.60	$ 657,873.21
	REF.			E-5	E-1
Appropriation Reserves - 2024	E	$ 687,043.25			
Reserve for Encumbrances	E-13	49,873.56			
		$ 736,916.81			

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF OVERPAYMENTS

	REF.		
Increased by:			
Receipts	E-5	$	17,126.93
Balance, December 31, 2025	E	$	17,126.93

SCHEDULE OF RESERVE FOR ESCROW DEPOSITS

Balance, December 31, 2024	E	$	140,090.00
Increased by:			
Receipts	E-5		94,224.49
			234,314.49
Decreased by:			
Disbursements	E-5		139,314.11
Balance, December 31, 2025	E	$	95,000.38

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	REF.		OPERATING FUND
Balance, December 31, 2024	E	$	49,873.56
Increased by:			
Transfer from 2025 Budget Appropriations	E-4		237,079.43
			286,952.99
Decreased by:			
Transfer to Appropriation Reserves	E-10		49,873.56
Balance, December 31, 2025	E	$	237,079.43

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

	REF.	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
Eastern Sewer Infrastructure		$ 11,878,031.55	$ 11,878,031.55
		$ 11,878,031.55	$ 11,878,031.55
	REF.	E	E

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	CURRENT FUND	WATER EASTERN SERVICE CAPITAL FUND	SEWER EASTERN SERVICE OPERATING FUND
Balance December 31, 2024 - Due From/(Due To)	E	$ 168,961.13	$ 170,000.00	$	$ (1,038.87)
Increased by:					
Receipts	E-5	382,156.58	340,000.00		42,156.58
		(213,195.45)	(170,000.00)		(43,195.45)
Decreased by:					
Disbursements	E-5	1,717,565.42	680,000.00	1,000,000.00	37,565.42
Balance December 31, 2025 - Due From/(Due To)	E	$ 1,504,369.97	$ 510,000.00	$ 1,000,000.00	$ (5,630.03)

TOWNSHIP OF MANCHESTER

SEWER EASTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.	
Balance December 31, 2024	E	$ 3,033,947.73
Increased by:		
2025 Budget Appropriation	E-5	100,000.00
Balance December 31, 2025	E	$ 3,133,947.73

"E-17"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2024 and 2025	E	$ 11,878,031.55

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY FUND

SCHEDULE OF CASH

	REF.	OPERATING	CAPITAL
Balance, December 31, 2024	F	$ 1,233,603.72	$ 83,220.26
Increased by Receipts:			
Water Rents Receivable	F-3	2,545,685.13	
Water Miscellaneous	F-3	520,790.76	
Interfunds	F-9	356,615.50	
Overpayments	F-11	45,845.39	
Interfunds	F-16		1,571.65
		3,468,936.78	1,571.65
		4,702,540.50	84,791.91
Decreased by Disbursements:			
Refund of Prior Year Revenue	F-1	2,307.27	
Budget Appropriations	F-4	2,452,777.04	
Interfunds	F-9	34,272.57	
Appropriation Reserves	F-10	80,014.65	
Accrued Interest on Bonds, Notes and Loans	F-12	397,619.78	
Interfunds	F-16		1,571.65
Improvement Authorizations	F-18		23,564.50
		2,966,991.31	25,136.15
Balance, December 31, 2025	F	$ 1,735,549.19	$ 59,655.76

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

ANALYSIS OF CASH

		BALANCE DECEMBER 31, 2024	RECEIPTS	DISBURSEMENTS	TRANSFERS TO	TRANSFERS FROM	BALANCE DECEMBER 31, 2025
Capital Improvement Fund		$ 60,000.00	$	$	$	$ 50,000.00	$ 10,000.00
Interfunds		11.24	1,571.65	1,571.65			11.24
Reserve for Encumbrances					4,862,519.50		4,862,519.50
Improvement Authorizations:							
ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION						
09-026	Acquisition of Crestwood Water Company	23,209.02			400.00		23,609.02
24-021	Various Capital Improvements			23,364.50		4,567,919.50	(4,591,284.00)
25-033	Acquisition of Vehicles & Equipment			200.00	50,000.00	295,000.00	(245,200.00)
		$ 83,220.26	$ 1,571.65	$ 25,136.15	$ 4,912,919.50	$ 4,912,919.50	$ 59,655.76
	REF.	F	F-5	F-5			F

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	REF.		
Balance, December 31, 2024	F	$	67,770.41
Increased by:			
Water Rents Levied			2,632,349.22
			2,700,119.63
Decreased by:			
Collection	F-3:F-5		2,545,685.13
Balance, December 31, 2025	F	$	154,434.50

"F-8"

SCHEDULE OF INVENTORY

Balance, December 31, 2024	F	$	83,706.26
Decreased by:			
Adjustment to Actual Inventory			3,619.14
Balance, December 31, 2025	F	$	80,087.12

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	WATER EASTERN SERVICE OPERATING FUND	WATER WESTERN SERVICE CAPITAL FUND	SEWER EASTERN SERVICE OPERATING FUND	SEWER WESTERN SERVICE OPERATING FUND
Balance, December 31, 2024 - Due From/(Due To)	F	$ 11.24	$	$ 11.24	$	$
Increased/Decreased by:						
Receipts	F-5	356,615.50				356,615.50
		(356,604.26)		11.24		(356,615.50)
Decreased/Increased by:						
Disbursements	F-5	34,272.57	34,145.61		126.96	
Balance, December 31, 2025 - Due From/(Due To)	F	$ (322,331.69)	$ 34,145.61	$ 11.24	$ 126.96	$ (356,615.50)

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

	REF.	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating					
Salaries and Wages		$ 14.24	$ 14.24	$	$ 14.24
Other Expenses		403,751.48	403,751.48	80,014.65	323,736.83
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)		26,239.67	26,239.67		26,239.67
		$ 430,005.39	$ 430,005.39	$ 80,014.65	$ 349,990.74
				F-5	F-1
Appropriation Reserves - 2024	F	$ 340,592.25			
Reserve for Encumbrances	F-13	89,413.14			
		$ 430,005.39			

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF OVERPAYMENTS

	REF.		
Increased by:			
Receipts	F-5	$	45,845.39
Balance, December 31, 2025	F	$	45,845.39

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

Balance, December 31, 2024	F	$	166,651.12
Increased by:			
Budget Appropriations for:			
Interest on Bonds	F-4		393,331.19
			559,982.31
Decreased by:			
Interest Paid	F-5		397,619.78
Balance, December 31, 2025	F	$	162,362.53

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	REF.	OPERATING FUND	CAPITAL FUND
Balance, December 31, 2024	F	$ 89,413.14	$
Increased by:			
Transfer from 2025 Budget Appropriations	F-4	191,378.57	
Transfer from Improvement Authorizations	F-18		4,862,519.50
		280,791.71	4,862,519.50
Decreased by:			
Transfer to Appropriation Reserves	F-10	89,413.14	
Balance, December 31, 2025	F	$ 191,378.57	$ 4,862,519.50

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER 31, 2024	ADDITIONS ORDINANCE	BALANCE DECEMBER 31, 2025
Western Water Infrastructure including Crestwood Water Company	$ 15,531,790.98	$ (400.00)	$ 15,531,390.98
Various Capital Improvements Ordinance 24-021		4,591,284.00	4,591,284.00
Acquisition of Vehicles & Equipment Ordinance 25-033		295,200.00	295,200.00
	$ 15,531,790.98	$ 4,886,084.00	$ 20,417,874.98
REF.	F	F-15	F

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	2025 AUTHORIZATIONS DEFERRED RESERVE FOR AMORTIZATION	2025 AUTHORIZATIONS DEFERRED CHARGES TO FUTURE REVENUE	COSTS TO FIXED CAPITAL	BALANCE DECEMBER 31, 2025
09-026	Acquisition of Crestwood Water Company	11/23/2009	$ 15,555,000.00	$ 23,209.02	$	$	$	$ 23,209.02
24-021	Various Capital Improvements	5/28/2024	5,669,750.00	5,669,750.00			4,590,884.00	1,078,866.00
25-033	Acquisition of Vehicles & Equipment	8/25/2025	300,000.00		50,000.00	250,000.00	295,200.00	4,800.00
				$ 5,692,959.02	$ 50,000.00	$ 250,000.00	$ 4,886,084.00	$ 1,106,875.02
			REF.	F	F-21	F-18	F-14	F

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	WATER WESTERN SERVICE OPERATING FUND
Balance December 31, 2024 - Due From/(Due To)	F	$ (11.24)	$ (11.24)
Increased by:			
Receipts	F-5	1,571.65	1,571.65
		(1,582.89)	(1,582.89)
Decreased by:			
Disbursements	F-5	1,571.65	1,571.65
Balance December 31, 2025 - Due From/(Due To)	F	$ (11.24)	$ (11.24)

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DEC. 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Water Utility Refunding Bonds	1/8/2020	$ 14,200,000.00	08/01/26	$ 365,000.00	2.288%	$	$	$
			08/01/27	365,000.00	2.388%			
			08/01/28	365,000.00	2.513%			
			08/01/29	365,000.00	2.563%			
			08/01/30	365,000.00	2.663%			
			08/01/31	365,000.00	2.763%			
			08/01/32	360,000.00	2.863%			
			08/01/33	925,000.00	2.963%			
			08/01/34	960,000.00	3.013%			
			08/01/35	1,000,000.00	3.063%			
			08/01/36	1,040,000.00	3.415%			
			08/01/37	1,085,000.00	3.415%			
			08/01/38	1,130,000.00	3.415%			
			08/01/39	1,180,000.00	3.415%			
			08/01/40	1,230,000.00	3.415%			
			08/01/41	1,275,000.00	3.415%	12,740,000.00	365,000.00	12,375,000.00
						$ 12,740,000.00	$ 365,000.00	$ 12,375,000.00
					REF	F	F-20	F

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	2025 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
09-026	Acquisition of Crestwood Water Company	11/23/2009	$ 15,555,000.00	$ 23,209.02	$	$	$ (400.00)	$ 23,609.02	$
24-021	Various Capital Improvements	5/28/2024	5,669,750.00		5,669,750.00		4,591,284.00		1,078,466.00
25-033	Acquisition of Vehicles & Equipment	8/25/2025	300,000.00			300,000.00	295,200.00		4,800.00
				$ 23,209.02	$ 5,669,750.00	$ 300,000.00	$ 4,886,084.00	$ 23,609.02	$ 1,083,266.00
			REF.	F	F			F	F
	Capital Improvement Fund		F-19			$ 50,000.00			
	Deferred Charges to Future Revenue		F-15			250,000.00			
						$ 300,000.00			
	Disbursements		F-5				$ 23,564.50		
	Reserve for Encumbrances		F-13				4,862,519.50		
							$ 4,886,084.00		

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.	
Balance December 31, 2024	F	$ 60,000.00
Decreased by:		
Appropriation to Finance Improvement Authorizations	F-18	50,000.00
Balance December 31, 2025	F	$ 10,000.00

"F-20"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2024	F		$ 2,815,000.00
Increased by:			
Serial Bonds Paid by Operating Budget	F-17	$ 365,000.00	
Transfer from Deferred Reserve for Amortization	F-21	26,390.98	
			391,390.98
Balance, December 31, 2025	F		$ 3,206,390.98

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	FIXED CAPITAL AUTHORIZED	FROM/(TO) RESERVE FOR AMORTIZATION FIXED CAPITAL	BALANCE DECEMBER 31, 2025
09-026	Acquisition of Crestwood Water Company	11/23/2009	$	$ 23,609.02	$ 23,609.02
25-033	Acquisition of Vehicles & Equipment	8/25/2025	50,000.00	(50,000.00)	
			$ 50,000.00	$ (26,390.98)	$ 23,609.02
		REF.	F-15	F-20	F

TOWNSHIP OF MANCHESTER

WATER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

DATE OR ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2025
24-021	Various Capital Improvements	$ 5,669,750.00
25-033	Acquisition of Vehicles & Equipment	250,000.00
		$ 5,919,750.00
	REF.	F

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY FUND

SCHEDULE OF CASH

	REF.	OPERATING	CAPITAL
Balance, December 31, 2024	G	$ 570,340.12	$ 5,043.13
Increased by Receipts:			
Sewer Rents Receivable	G-3	3,005,963.81	
Sewer Miscellaneous	G-3	64,813.06	
Overpayments	G-11	37,632.72	
Interfunds	G-16		114.35
		3,108,409.59	114.35
		3,678,749.71	5,157.48
Decreased by Disbursements:			
Refund of Prior Year Revenue	G-1	5,867.79	
Budget Appropriations	G-4	2,529,965.17	
Interfunds	G-9	380,608.53	
Appropriation Reserves	G-10	36,961.76	
Accrued Interest on Bonds, Notes and Loans	G-12	83,231.00	
Interfunds	G-16		114.35
		3,036,634.25	114.35
Balance, December 31, 2025	G	$ 642,115.46	$ 5,043.13

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

ANALYSIS OF CASH

		Balance December 31, 2024	Receipts	Disbursements	Balance December 31, 2025
Interfunds		$ .55	$ 114.35	$ 114.35	$ 0.55
Improvement Authorizations:					
ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION				
09-027	Acquisition of Crestwood Sewer Company	5,042.58			5,042.58
		$ 5,043.13	$ 114.35	$ 114.35	$ 5,043.13
	REF.	G	G-5	G-5	G

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	REF.		
Balance, December 31, 2024	G	$	51,348.25
Increased by:			
Sewer Rents Levied			3,050,820.89
			3,102,169.14
Decreased by:			
Collection	G-3:G-5		3,005,963.81
Balance, December 31, 2025	G	$	96,205.33

"G-8"

SCHEDULE OF INVENTORY

Balance, December 31, 2024	G	$	39,026.43
Increased by:			
Adjustment to Actual Inventory			5,098.62
Balance, December 31, 2025	G	$	44,125.05

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	WATER WESTERN SERVICE OPERATING FUND	SEWER EASTERN SERVICE OPERATING FUND	SEWER WESTERN SERVICE CAPITAL FUND
Balance, December 31, 2024 - Due From/(Due To)	G	$ 0.55	$	$	$ 0.55
Decreased/Increased by:					
Disbursements	G-5	380,608.53	356,615.50	23,993.03	
Balance, December 31, 2025 - Due From/(Due To)	G	$ 380,609.08	$ 356,615.50	$ 23,993.03	$ .55

"G-10"

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

	REF.	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating					
Salaries and Wages		$ 8,395.99	$ 8,395.99	$	$ 8,395.99
Other Expenses		253,984.40	253,984.40	36,961.76	217,022.64
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)		3,318.91	3,318.91		3,318.91
		$ 265,699.30	$ 265,699.30	$ 36,961.76	$ 228,737.54
	REF.			G-5	G-1
Appropriation Reserves - 2024	G	$ 220,099.85			
Reserve for Encumbrances	G-13	45,599.45			
		$ 265,699.30			

"G-11"

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY OPERATING FUND

SCHEDULE OF OVERPAYMENTS

	REF.		
Increased by:			
Receipts	G-5	$	37,632.72
Balance, December 31, 2025	G	$	37,632.72

"G-12"

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

Balance, December 31, 2024	G	$	34,680.08
Increased by:			
Budget Appropriations for:			
Interest on Bonds	G-4		80,371.88
			115,051.96
Decreased by:			
Interest Paid	G-5		83,231.00
Balance, December 31, 2025	G	$	31,820.96

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	REF.		OPERATING FUND
Balance, December 31, 2024	G	$	45,599.45
Increased by:			
Transfer from 2025 Budget Appropriations	G-4		9,387.64
			54,987.09
Decreased by:			
Transfer to Appropriation Reserves	G-10		45,599.45
Balance, December 31, 2025	G	$	9,387.64

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

		BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
Western Sewer Infrastructure including Crestwood Sewer Company		$ 5,179,957.42	$ 5,179,957.42
		$ 5,179,957.42	$ 5,179,957.42
	REF.	G	G

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
09-027	Acquisition of Crestwood Sewer Company	11/23/2009	$ 5,185,000.00	$ 5,042.58	$ 5,042.58
				$ 5,042.58	$ 5,042.58
			REF.	G	G

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL (MEMO ONLY)	SEWER WESTERN SERVICE OPERATING FUND
Balance December 31, 2024 - Due From/(Due To)	G	$ (0.55)	$ (0.55)
Increased by:			
Receipts	G-5	114.35	114.35
		(114.90)	(114.90)
Decreased by:			
Disbursements	G-5	114.35	114.35
Balance December 31, 2025 - Due From/(Due To)	G	$ (0.55)	$ (0.55)

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DEC. 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Sewer Utility Refunding Bonds, Series 2020B	1/28/2020	$4,205,000.00	8/01/2026	$ 340,000.00	2.288%	$	$	$
			8/01/2027	365,000.00	2.388%			
			8/01/2028	390,000.00	2.513%			
			8/01/2029	415,000.00	2.563%			
			8/01/2030	445,000.00	2.663%			
			8/01/2031	470,000.00	2.763%			
			8/01/2032	510,000.00	2.865%	3,250,000.00	315,000.00	2,935,000.00
						$ 3,250,000.00	$ 315,000.00	$ 2,935,000.00
					REF	G	G-19	G

"G-18"

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2025 FUNDED
09-027	Acquisition of Crestwood Sewer Company	11/23/2009	$ 5,185,000.00	$ 5,042.58	$ 5,042.58
				$ 5,042.58	$ 5,042.58
			REF.	G	G

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	REF.	
Balance, December 31, 2024	G	$ 1,935,000.00
Increased by:		
Serial Bonds Paid by Operating Budget	G-17	315,000.00
		2,250,000.00
Decreased by:		
Transfer to Deferred Reserve for Amortization	G-20	5,042.58
Balance, December 31, 2025	G	$ 2,244,957.42

"G-20"

TOWNSHIP OF MANCHESTER

SEWER WESTERN SERVICE UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	FROM/(TO) RESERVE FOR AMORTIZATION FIXED CAPITAL	BALANCE DECEMBER 31, 2025
09-027	Acquisition of Crestwood Sewer Company	11/23/2009	$ 5,042.58	$ 5,042.58
			$ 5,042.58	$ 5,042.58
		REF.	G-19	G

TOWNSHIP OF MANCHESTER

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF CASH - TREASURER

	REF.	TOTAL	TRUST FUND 1	DISCRETIONARY FUND
Balance December 31, 2024	H	$ 84,677.94	$ 2,902.34	$ 81,775.60
Increased by:				
Interest Earned		1,898.44	66.45	1,831.99
Other Receipts		12,100.00		12,100.00
	H-2	13,998.44	66.45	13,931.99
		98,676.38	2,968.79	95,707.59
Decreased by:				
Disbursements	H-2	19,999.39		19,999.39
Balance December 31, 2025	H	$ 78,676.99	$ 2,968.79	$ 75,708.20

TOWNSHIP OF MANCHESTER

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF RESERVES

	REF.	TOTAL	TRUST FUND 1	DISCRETIONARY FUND
Balance, December 31, 2024	H	$ 84,677.94	$ 2,902.34	$ 81,775.60
Increased by:				
Cash Receipts	H-1	13,998.44	66.45	13,931.99
		98,676.38	2,968.79	95,707.59
Decreased by:				
Cash Disbursements	H-1	19,999.39		19,999.39
Balance, December 31, 2025	H	$ 78,676.99	$ 2,968.79	$ 75,708.20

TOWNSHIP OF MANCHESTER

PART II

SINGLE AUDIT SECTION

INDEPENDENT AUDITOR'S 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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 25-12

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S 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 Honorable Mayor and Members
of the Township Council
Township of Manchester
County of Ocean
Manchester, New Jersey 08759

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Manchester, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated July 31, 2026. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Manchester prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Township's 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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Township'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 Township'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.

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 may exist that have not been identified. We noted other matters in the internal control which are discussed in Part III, General Comments and Recommendations section of the audit report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's regulatory 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.* We noted other matters in the compliance which are discussed in Part III, General Comments and Recommendations section of the audit report.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W Swisher

REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 31, 2026

SUPLEE, CLOONEY & COMPANY LLC
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 25-12

The Honorable Mayor and Members
of the Township Council
Township of Manchester
County of Ocean
Manchester, New Jersey 08759

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Township of Manchester, County of Ocean, State of New Jersey (the "Township") 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 Township's major State programs for the year ended December 31, 2025. The Township's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended December 31, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 New Jersey OMB Circular 25-12. Our responsibilities under those standards and New Jersey OMB Circular 25-12 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township 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 opinion on compliance for each major State program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

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 Township's State programs.

Auditor's 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 Township'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 generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB Circular 25-12 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 Township's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB Circular 25-12, 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 Township'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 Township'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 New Jersey OMB Circular 25-12, but not for the purpose of expressing an opinion on the effectiveness of the Township'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.

Report on Internal Control Over Compliance

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 State 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 State 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 State 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 New Jersey OMB Circular 25-12. Accordingly, this report is not suitable for any other purpose.

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W. [illegible]

REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 31, 2026

"SCHEDULE 2"

TOWNSHIP OF MANCHESTER

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2025

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM	GRANT PERIOD TO	GRANT AWARD AMOUNT	2025 FUNDS RECEIVED	2025 EXPENDITURES	(MEMO ONLY) ENCUMBRANCES	CUMULATIVE EXPENDITURES DECEMBER 31, 2025
ENVIRONMENTAL PROTECTION								
Direct Programs								
Clean Communities								
Prior Years	765-042-4900-004-178910	Various	Till Finished	$ 107,754.53	$	$ 107,754.53	$	$ 107,754.53
2025	765-042-4900-004-178910	01/01/25	Till Finished	141,852.20	141,852.20	98,814.44	10,094.85	98,814.44
					141,852.20	206,568.97	10,094.85	206,568.97
Recycling Tonnage								
2025	100-042-4910-224-238490	01/01/25	Till Finished	38,268.29	38,268.29	37,689.90		37,689.90
					38,268.29	37,689.90		37,689.90
Green Acres Program								
2024	100-042-4875-421-292140	01/01/24	Till Finished	254,149.80	254,149.80	254,149.80		254,149.80
2025	100-042-4875-421-292140	01/01/25	Till Finished	81,345.36	81,345.36	81,345.36		81,345.36
					335,495.16	335,495.16		335,495.16
Water Resources Monitoring and Planning								
2023	100-042-4850-099-290400	01/01/23	Till Finished	15,000.00		15,000.00		15,000.00
Total Environmental Protection					515,615.65	594,754.03	10,094.85	594,754.03
TRANSPORTATION								
Indirect Programs - Passed Through NJTPA								
Local Municipal Aid								
2023 Colt Place	480-078-6320-XXX-XXXXXX	01/01/23	Till Finished	345,870.00		208,354.73	21,158.40	208,354.73
2024 Station Road	480-078-6320-XXX-XXXXXX	01/01/24	Till Finished	404,340.00		379,257.92		379,257.92
2025 Congasia Road	480-078-6320-AP3-606285	01/01/25	Till Finished	314,775.00	217,959.85	217,959.85		217,959.85
Total Transportation					217,959.85	805,572.50	21,158.40	805,572.50
HEALTH								
Direct Programs								
Municipal Alliance								
Prior Years	100-046-4230-024-JJJ-6310	Various	Till Finished	25,684.12	10,552.18	15,335.46	412.09	15,335.46
Total Health					10,552.18	15,335.46	412.09	15,335.46
BOARD OF PUBLIC UTILITIES								
Direct Programs								
Clean Energy - BPU Initiative	71D-082-2014-022-560860	01/01/25	Till Finished	7,500.00	7,500.00	1,361.75	6,129.50	1,361.75
Total Board of Public Utilities					7,500.00	1,361.75	6,129.50	1,361.75
COMMUNITY AFFAIRS								
Direct Programs								
Local Government Services Purchase of Ambulance	495-022-8030-827-047430	01/01/24	Till Finished	250,000.00	62,500.00			250,000.00
Total Community Affairs					62,500.00			250,000.00
Total State Assistance					$ 814,127.68	$ 1,417,023.74	$ 37,794.84	$ 1,667,023.74

The accompanying notes to schedule of expenditures of state financial assistance are an integral part of this schedule.

TOWNSHIP OF MANCHESTER

NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2025

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial awards of the Township of Manchester, County of Ocean, New Jersey. All state financial awards received directly from state agencies are included on the Schedule of Expenditures of State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in either the Grant Fund, Open Space Fund, or General Capital Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Revenues:

	State
Grant Fund	$ 260,672.67
Open Space Fund	335,495.16
General Capital Fund	217,959.85
	$ 814,127.68

Expenditures:

	State
Grant Fund	$ 863,568.73
Open Space Fund	335,495.16
General Capital Fund	217,959.85
	$ 1,417,023.74

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedule. In addition, the Township has not elected to use the *de minimus* cost rate as covered in CFR 200.414 (F&A) costs.

TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

(1) Type of Auditor's Report Issued:	Unmodified
(2) Internal Control Over Financial Reporting:	
(a) Material weaknesses identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(3) Noncompliance material to the financial statements noted during the audit?	No

State Program(s)

(1) Internal Control Over Major State Programs:	
(a) Material weaknesses identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(2) Type of Auditor's Report issued on compliance for major State program(s)?	Unmodified
(3) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 25-12 and listed in Section III of this schedule?	No

(4) Identification of Major State Program(s):

Program	Grant Number
Transportation	480-078-6320

(5) Program Threshold Determination:

Type A State Program Threshold >= $1,000,000.00
Type B State Program Threshold <= $1,000,000.00

(6) Auditee qualified as a low-risk auditee under NJ OMB Circular 25-12?	No

TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported.

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major State Programs

None Reported

Status of Prior Year Audit Findings - Not Applicable

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TOWNSHIP OF MANCHESTER

PART III

STATISTICAL DATA

OFFICIALS IN OFFICE AND SURETY BONDS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND

	YEAR 2025 AMOUNT	YEAR 2025 %	YEAR 2024 AMOUNT	YEAR 2024 %
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 3,100,000.00	2.31%	$ 3,400,000.00	2.66%
Miscellaneous-From Other Than Local Property Tax Levies	18,515,941.02	13.79%	19,827,770.93	15.50%
Collection of Delinquent Taxes and Tax Title Liens	964,720.23	0.71%	1,012,170.46	0.79%
Collection of Current Tax Levy	111,666,939.59	83.18%	103,670,798.42	81.05%
TOTAL INCOME	134,247,600.84	100.00%	127,910,739.81	100.00%
EXPENDITURES				
Budget Expenditures:				
Municipal Purposes	49,876,269.50	37.58%	48,111,650.23	38.37%
County Taxes	25,094,538.82	18.91%	22,340,623.23	17.82%
Local District School Taxes	56,754,518.00	42.76%	54,471,723.00	43.45%
Municipal Open Space Preservation	770,737.79	0.58%	426,181.00	0.34%
Other Expenditures	218,978.69	0.17%	27,342.02	0.03%
TOTAL EXPENDITURES	132,715,042.80	100.00%	125,377,519.48	100.00%
Excess in Revenue	1,532,558.04		2,533,220.33	
Adjustment Before Fund Balance: Expenditures Included Above Which Are by Statute, Deferred Charges to Budgets of Succeeding Years	986,183.79			
Regulatory Excess in Fund Balance	2,518,741.83		2,533,220.33	
Fund Balance, January 1	3,479,142.55		4,345,922.22	
	5,997,884.38		6,879,142.55	
Less: Utilization as Anticipated Revenue	3,100,000.00		3,400,000.00	
Fund Balance, December 31	$ 2,897,884.38		$ 3,479,142.55	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER EASTERN SERVICE - UTILITY FUND

	YEAR 2025 AMOUNT	%	YEAR 2024 AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 305,000.00	6.56%	$ 400,000.00	11.88%
Collection of Water Rents	3,580,346.66	77.03%	2,731,018.34	81.10%
Miscellaneous - Other Than Water Rents	762,682.17	16.41%	236,325.55	7.02%
TOTAL INCOME	4,648,028.83	100.00%	3,367,343.89	100.00%
EXPENDITURES				
Budget Expenditures:				
Operating	2,456,000.00	72.07%	2,526,755.34	71.00%
Capital Improvements	100,000.00	2.93%		0.00%
Debt Service	591,245.46	17.35%	570,244.66	16.02%
Deferred Charges and Statutory Expenditures	253,656.11	7.44%	462,000.00	12.98%
Other Expenditures	7,005.10	0.21%		0.00%
TOTAL EXPENDITURES	3,407,906.67	100.00%	3,559,000.00	100.00%
Excess in Revenue	1,240,122.16		(191,656.11)	
Operating Deficit to be Raised in Budget of Succeeding Year			191,656.11	
Fund Balance, January 1	500,000.90		900,000.90	
	1,740,123.06		900,000.90	
Less: Utilization as Anticipated Revenue	305,000.00		400,000.00	
Fund Balance, December 31	$ 1,435,123.06		$ 500,000.90	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - SEWER EASTERN SERVICE - UTILITY FUND

	YEAR 2025 AMOUNT	%	YEAR 2024 AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 500,000.00	9.34%	$ 500,000.00	9.40%
Collection of Sewer Rents	3,978,728.51	74.31%	3,931,579.39	73.95%
Miscellaneous - Other Than Sewer Rents	875,150.36	16.35%	885,053.14	16.65%
TOTAL INCOME	5,353,878.87	100.00%	5,316,632.53	100.00%
EXPENDITURES				
Budget Expenditures:				
Operating	4,410,000.00	66.82%	4,420,000.00	84.19%
Capital Improvements	100,000.00	1.52%		0.00%
Deferred Charges and Statutory Expenditures	90,000.00	1.36%	80,000.00	1.52%
Other Expenditures				
Fund Balance (General Budget)	2,000,000.00	30.30%	750,000.00	0.00%
TOTAL EXPENDITURES	6,600,000.00	100.00%	5,250,000.00	100.00%
Excess in Revenue	(1,246,121.13)		66,632.53	
Fund Balance, January 1	3,706,063.23		4,139,430.70	
	2,459,942.10		4,206,063.23	
Less: Utilization as Anticipated Revenue	500,000.00		500,000.00	
Fund Balance, December 31	$ 1,959,942.10		$ 3,706,063.23	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER WESTERN SERVICE - UTILITY FUND

	YEAR 2025 AMOUNT	YEAR 2025 %	YEAR 2024 AMOUNT	YEAR 2024 %
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 600,000.00	14.94%	$ 600,000.00	17.92%
Collection of Water Rents	2,545,685.13	63.38%	2,346,547.90	70.08%
Miscellaneous - Other Than Water Rents	870,781.50	21.68%	402,022.78	12.01%
TOTAL INCOME	4,016,466.63	100.00%	3,348,570.68	100.00%
EXPENDITURES				
Budget Expenditures:				
Operating	2,291,288.00	73.16%	2,342,796.00	73.44%
Debt Service	758,331.19	24.21%	767,204.00	24.05%
Deferred Charges and Statutory Expenditures	80,000.00	2.55%	80,000.00	2.51%
Other Expenditures	2,307.27	0.07%		0.00%
TOTAL EXPENDITURES	3,131,926.46	100.00%	3,190,000.00	100.00%
Excess in Revenue	884,540.17		158,570.68	
Fund Balance, January 1	637,018.45		1,078,447.77	
	1,521,558.62		1,237,018.45	
Less: Utilization as Anticipated Revenue	600,000.00		600,000.00	
Fund Balance, December 31	$ 921,558.62		$ 637,018.45	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - SEWER WESTERN SERVICE - UTILITY FUND

	YEAR 2025 AMOUNT	%	YEAR 2024 AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 200,000.00	5.72%	$ 100,000.00	3.69%
Collection of Sewer Rents	3,005,963.81	85.90%	2,442,858.55	90.20%
Miscellaneous - Other Than Sewer Rents	293,550.60	8.39%	165,263.88	6.10%
TOTAL INCOME	3,499,514.41	100.00%	2,708,122.43	100.00%
EXPENDITURES				
Budget Expenditures:				
Operating	2,184,628.00	83.04%	2,084,132.00	83.03%
Debt Service	395,371.88	15.03%	386,868.00	15.41%
Deferred Charges and Statutory Expenditures	45,000.00	1.71%	39,000.00	1.55%
Other Expenditures	5,867.79	0.22%		0.00%
TOTAL EXPENDITURES	2,630,867.67	100.00%	2,510,000.00	100.00%
Excess in Revenue	868,646.74		198,122.43	
Fund Balance, January 1	269,961.29		171,838.86	
	1,138,608.03		369,961.29	
Less: Utilization as Anticipated Revenue	200,000.00		100,000.00	
Fund Balance, December 31	$ 938,608.03		$ 269,961.29	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2025*	2024	2023
Tax Rate	$ 1.455	$ 2.455	$ 2.330
Appointment of Tax Rate:			
Municipal**	0.396	0.654	0.615
County	0.323	0.523	0.483
Local School	0.736	1.278	1.232

*Reassessment
**Includes Open Space

Assessed Valuation:

Year 2025*	$ 7,707,377,900.00		
Year 2024		$ 4,261,814,800.00	
Year 2023			$ 4,264,055,600.00

*Reassessment

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

		CURRENTLY	
YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2025	$113,215,636.08	$111,666,939.59	98.63%
2024	104,954,806.20	103,670,798.42	98.91%
2023	99,603,449.19	98,632,834.58	99.02%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

DECEMBER 31, YEAR	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2025	$ 55,830.03	$1,305,966.62	$ 1,361,796.65	1.20%
2024	59,323.97	937,922.21	997,246.18	0.95%
2023	53,546.11	956,818.50	1,010,364.91	1.01%

COMPARISON OF WATER UTILITY LEVIES

	WATER EASTERN SERVICE UTILITY		WATER WESTERN SERVICE UTILITY	
YEAR	LEVY	COLLECTION*	LEVY	COLLECTION*
2025	$3,648,443.61	$3,580,346.66	$2,632,349.22	$2,545,685.13
2024	2,756,652.10	2,731,018.34	2,393,855.37	2,346,547.90
2023	2,598,206.11	2,606,002.73	2,083,390.53	2,122,897.94

COMPARISON OF SEWER UTILITY LEVIES

	SEWER EASTERN SERVICE UTILITY		SEWER WESTERN SERVICE UTILITY	
YEAR	LEVY	COLLECTION*	LEVY	COLLECTION*
2025	$4,013,945.32	$3,978,728.51	$3,050,820.89	$3,005,963.81
2024	3,949,254.15	3,931,579.39	2,469,155.00	2,442,858.55
2023	3,941,312.13	3,976,456.90	2,228,245.28	2,261,032.02

* Includes collection of prior year's levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	YEAR		BALANCE DECEMBER 31		UTILIZED IN BUDGET OF SUCCEEDING YEAR*	
Current Fund	2025	$	2,897,884.38	$	1,556,000.00	*
	2024		3,479,142.55		3,100,000.00	
	2023		4,345,922.22		3,400,000.00	
	2022		6,233,006.91		5,000,000.00	
	2021		6,482,480.19		3,675,000.00	
Water Eastern Service Utility Operating Fund	2025	$	1,435,123.06	$	700,000.00	*
	2024		500,000.90		305,000.00	
	2023		900,000.90		400,000.00	
	2022		650,539.19		400,000.00	
	2021		973,181.14		600,000.00	
Sewer Eastern Service Utility Operating Fund	2025	$	1,959,942.10	$	850,000.00	*
	2024		3,706,063.23		500,000.00	
	2023		4,139,430.70		500,000.00	
	2022		4,359,124.15		700,000.00	
	2021		4,894,712.36		800,000.00	
Water Western Service Utility Operating Fund	2025	$	921,558.62	$	900,000.00	*
	2024		637,018.45		600,000.00	
	2023		1,078,447.77		600,000.00	
	2022		1,114,661.76		700,000.00	
	2021		1,333,869.28		700,000.00	
Sewer Western Service Utility Operating Fund	2025	$	938,608.03	$	800,000.00	*
	2024		269,961.29		200,000.00	
	2023		171,838.86		100,000.00	
	2022		158,898.65		100,000.00	
	2021		161,148.40		100,000.00	

*Proposed in 2026 Budget

EQUALIZED VALUATIONS – REAL PROPERTY

YEAR	AMOUNT
2025	$ 7,583,762,570.00
2024	7,085,311,388.00
2023	6,560,361,620.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

NAME	TITLE	AMOUNT OF BOND	NAME OF SURETY
Joseph Hankins	Mayor	*	
Roxanne Conniff	Council President	*	
James Vaccaro, Sr.	Council Vice-President	*	
Craig Wallis	Council	*	
Michele Zolezi	Council	*	
Sandy Gravatt-Drake	Council	*	
Carl Block	Administrator	*	
Teri Giercyk	Township Clerk/ Registrar of Vital Statistics/ Assessment Search Officer	*	
Diane Lapp	Chief Financial Officer until 03/30/2025	$ 2,000,000.00	MEL/JIF
Jeanette Larrison	Chief Financial Officer from 03/30/2025	2,000,000.00	MEL/JIF
Andrea Gaskill	Tax Collector/ Tax Search Officer/Water and Sewer Collector	2,000,000.00	MEL/JIF
Daniel Sahin	Municipal Court Judge	2,000,000.00	MEL/JIF
Tracy Barcus	Municipal Court Administrator	2,000,000.00	MEL/JIF
Lauren Staiger	Attorney		
Morgan Engineering	Engineer		

*Township employees, other than the Chief Financial Officer, Tax/Utility Collectors, Judge and Court Administrator, were covered by a blanket bond in the amount of $2,000,000.00 of which $50,000.00 is provided by the Ocean County Joint Insurance Fund and $1,950,000.00 through the Municipal Excess Liability Joint Insurance Fund.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate, the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 Ch. 198 (40A:11-3), except by contract or agreement.

Effective July 1, 2025, the bid threshold in accordance with N.J.S.A. 40A:11-3 is $17,500.00 or up to $53,000.00 if the entity has a Qualified Purchasing Agent. The Township has a Qualified Purchasing Agent and has set its bid threshold at $53,000.00 effective July 1, 2025.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the $53,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

ESA Booster Pump Replacement
Well Drilling Maintenance and Repair
24R-26 Flatbed Accessories
Public Safety Radio Network Buildout
ESA Meter Replacement Phase II
WSA Meter Replacement
FY 2025 NJDOT Municipal Aid Improvements to Congasia Road

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violation existed.

Our examination of expenditures did not reveal any individual payments or contracts or agreements in excess of $53,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40A:11-5:

Appraiser
Attorney's
Auditor
Bond Counsel

GENERAL COMMENTS (CONTINUED)

Engineers
EMS Director
Rent Leveling Accountant
Financial Advisor
Labor Counsel
Medical Services
Municipal Prosecutor
Public Defender
Qualified Purchasing Agent Services
EMS Consultant
EMS Third Party Billing Service
Township Planner
Water and Sewer Operator

CONTRACTS OR AGREEMENTS NOT REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c.198 (C.40A11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND WATER-SEWER RENTS

The Statutes provide the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes, assessments or water-sewer rents on or before the date when they would become delinquent.

The governing body on January 2, 2025 adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and water-sewer rents:

> "BE IT RESOLVED that the governing body of the Township of Manchester set the rate of interest to be charged on delinquent taxes, assessments and water-sewer accounts at 8% per annum on the first $ 1,500 of the delinquency and 18% per annum on any amount in excess of $ 1,500 and 6% to be collected against a delinquency in excess of $10,000 on properties that fail to pay the delinquency prior to the end of the calendar year. A 10-day grace period shall be permitted as provided by N.J.S.A. 54:4-67."

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND WATER-SEWER RENTS (CONTINUED)

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The following is a comparison of the number of tax title liens receivable on December 31st of the last three years:

YEAR	NUMBER OF LIENS
2025	139
2024	136
2023	118

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

TYPE	NUMBER MAILED
Delinquent Water Eastern Rents	15
Delinquent Sewer Eastern Rents	15
Delinquent Water Western Rents	10
Delinquent Sewer Western Rents	10

The results of the test are not yet known, but a separate report will be issued if any irregularities are developed. For those verification notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

MISCELLANEOUS

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittance of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

GENERAL COMMENTS (CONTINUED)

MISCELLANEOUS (CONTINUED)

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

Individual payments of the Local, Regional and/or Consolidated School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for the year 2025.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

FOLLOW–UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year audit findings. A corrective action plan was approved on September 24, 2025 to address the findings below.

24-01 **Finding** - (Recreation Department) A year end accounting of beach badges sold resulted in fourteen (14) badges being unaccounted for totaling $405.00.

Status - The issue has been effectively resolved, and proper controls are now in place to prevent future discrepancies.

24-02 **Finding** - (Length of Service Award Program "LOSAP") It has come to our attention that the annual LOSAP contribution was not made for 2023 during 2024 and has not been made as of the date of this report.

Status - 2023, 2024 and 2025 LOSAP contributions were paid in 2026.

24-03 **Finding** - (Property Acquired for Taxes at Assessed Valuations) During 2023, the Township transferred Delinquent Taxes into this account and during 2024, the Township had a land sale. Both of these transactions should have resulted into adjustments being made to this account. The Township is aware and appropriate adjustments will be made.

Status - The fixed asset records are currently being maintained on an excel spreadsheet. However, adjustments are required for items not yet listed. The general ledger showed no activity relating to property acquired for taxes during the period under audit.

FOLLOW–UP OF PRIOR YEAR FINDINGS (CONTINUED)

24-04 **Finding (A)** - (Municipal Court) Tickets Assigned but Not Issued Report indicated that there were fifty-eight (58) tickets over one hundred eighty-one (181) days old. These tickets should be recalled.

Status (A) - This issue has been resolved.

Finding (B) - (Municipal Court) Tickets Issued but Not Assigned Report indicated that there were nine (9) tickets on this report. There should be no tickets listed.

Status (B) - This issue has been resolved.

Finding (C) - (Municipal Court) Follow-up Incomplete Report indicated that four (4) tickets are over three years old. As per Rule 7:8-9(f), once a case is over three years old, the tickets must be dismissed. These tickets are generally dismissed the following month by the Court.

Status (C) - This issue has been resolved.

Finding (D) - (Shared Service: Lakehurst Municipal Court) The Follow-up Incomplete Report indicated that two (2) tickets are over three years old. As per Rule 7:8-9(f), once a case is over three years old, the tickets must be dismissed. These tickets are generally dismissed the following month by the Court.

Status (D) - This issue has been resolved.

24-05 **Finding** - (Shared Service: Plumsted Municipal Court) The monthly credit card merchant fees are being charged to the Municipal Court General Fund, per AOC Directive 8-98. These charges should be made against the Township's Current Fund.

Status - This issue has been resolved.

CURRENT YEAR FINDINGS

25-01 **Finding** - The appropriation ledger was not maintained properly which caused overexpenditures to occur. Two instances of overexpenditure of 2025 appropriations were identified.

Criteria - Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. The overexpenditures in question are the result of a combination of factors including immaterial weaknesses in internal controls over financial reporting of the budgetary function and override of the spending controls. Two instances of overexpenditure related to employee group health and opt out payments occurred during the period under audit.

CURRENT YEAR FINDINGS (CONTINUED)

25-02 **Finding** – A resolution authorizing an emergency appropriation for EMS salaries and wages was not filed with the Division of Local Government Services, (the Division) as required by statute.

Criteria - Pursuant to NJS 40A:4-46, the following documents are to be filed with the Division:

- Two (2) certified copies of the resolution authorizing the emergency appropriation.
- An affidavit of the Chief Financial Officer pursuant to NJS 40A:4-52
- Emergency Appropriation 3% Calculation

25-03 **Finding** - Interfund receivables and payables appear on the balance sheets of the various funds as of December 31.

Criteria - Interfunds have an effect on cash flow and with respect to the current fund, interfund receivables impact upon the amount of fund balance that can be utilized in a budget cycle.

25-04 **Finding** - The analysis of water eastern capital fund cash includes cash deficits for ordinances over 5 years old.

Criteria - Deficits arise when expenditures are incurred and paid on projects for which the funding has yet to be fully provided but other funds on deposit are available to cover the expenditures until the full funding is achieved.

25-05 **Finding** - There are instances of improper account coding and classification.

Criteria - Improper account coding and classification of transactions can result in over or understated revenue amounts, appropriation balances and general ledger balances which when discovered, may require correcting journal entries. All items of a similar nature should be coded in a consistent manner. If a question arises as to how a transaction should be coded, a supervisor should be consulted prior to entering the transaction into the accounting system.

RECOMMENDATIONS

That a review of the internal controls pertaining to the budgetary function be performed and that overexpenditures be prohibited.

That resolutions authorizing emergency appropriations along with the required emergency appropriation 3% calculation be filed with the Division of Local Government services as required.

That all interfunds, where practicable, be liquidated prior to year-end.

That cash deficits identified in the analysis of water eastern capital fund cash be funded.

That the proper account coding and classification be verified on all transactions prior to posting in the accounting system.