MANCHESTER TOWNSHIP SCHOOL DISTRICT

Manchester Township Board of Education
Manchester Township, New Jersey

Annual Comprehensive Financial Report
Year Ended June 30, 2025

"Excellence by Example"

MANCHESTER TOWNSHIP

SCHOOL DISTRICT

MANCHESTER TOWNSHIP BOARD OF EDUCATION

MANCHESTER TOWNSHIP, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

PREPARED BY MANCHESTER TOWNSHIP SCHOOL DISTRICT
BUSINESS OFFICE
MR. CRAIG LORENTZEN
BUSINESS ADMINISTRATOR, BOARD SECRETARY

MANCHESTER TOWNSHIP SCHOOL DISTRICT

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Manchester Township
Board of Education
P. O. Box 4100, 121 Route 539
Whiting, New Jersey 08759-4100

732-350-5900
FAX 732-350-0436

DIANE PEDROZA
Superintendent of Schools

CRAIG A. LORENTZEN, CPA
Business Administrator
Board Secretary

GAYLE MOUNT
President

LAURA WINGLER
Vice President

December 03, 2025

Honorable President and Members
of the Board of Education and Constituents of
Manchester Township School District
County of Ocean
Whiting, New Jersey

Dear Board Members and Constituents of Manchester Township:

The Annual Comprehensive Financial Report of the Manchester Township School District ("District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2025 and the respective changes in financial position and cash flows for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organization chart and roster of officials, consultants and advisors and the Certificate of Excellence in Financial Reporting. The financial section includes Management's Discussion and Analysis (immediately following the report of independent auditors), basic financial statements, required supplementary information and supplementary information, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the Federal Uniform Guidance and New Jersey OMB Circular 15-08. Information related to this single audit, including the independent auditors' reports on internal control and compliance with applicable major programs, are included in the single audit section of this report.

1. Reporting Entity and Its Services

The Manchester Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Manchester Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, special education, vocational education opportunities, student guidance, counseling, English language programs, STEM, STEAM, credit recovery, health services, preschool, extracurricular activities and many other support services.

The District completed the 2024/2025 fiscal year with an enrollment of 2,879 students. This includes 115 students in grades 9-12 received from Lakehurst Elementary on a tuition basis. The enrollment at the State's Regional Day School at Jackson (RDS) administered by the District for 2024/2025 was 62. The following details the changes in the student enrollment of the District and RDS over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2024-2025 (RDS)	2,870 62	(4.6) (4.6)
2023-2024 (RDS)	3,009 65	4.50 (5.70)
2022-2023 (RDS)	2,878 69	2.31 4.54
2021-2022 (RDS)	2,813 66	(2.29) 4.00
2020-2021 (RDS)	2,879 63	(.096) (.087)

The population of Manchester continues to shift toward families that do not send their children to the school district. Many of the homes purchased are being leased to families with students that have limited English or are Multi Language Learners. There are new developments being built in town, which may help stabilize enrollment. The first phase of homes are scheduled to be available this fall. The District is in the third year of its free full-day preschool program that has helped stabilize enrollment in the short term. The District projects that enrollment for the 2025-2026 school year to be 2,870 and 62 respectively.

2. Economic Condition and Outlook

The natural features of Manchester Township include vast tracts of Pinelands providing major aesthetic and environmental qualities, which were critical factors in the development of large-scale retirement communities making Manchester one of the major retirement areas in the United States. A major regional factor affecting the future of Manchester Township is the Pinelands Comprehensive Management Plan, which limits development potential in approximately 72 percent of the Township. The Plan protects and preserves the Pinelands of New Jersey as part of a million-acre National Reserve. The Pinelands Plan and Regulations dominate much of the development of the master plan for Manchester Township as well as master plans for adjacent municipalities, Ocean County, and the State. The Pine Barrens is not agriculturally productive. A combination of acidic and sandy soils makes traditional crop farming very difficult and economically impossible.

The Township of Manchester, the third largest municipality in area size within Ocean County, was chartered in 1865 when it seceded from Dover Township. Manchester Township is a municipality comprising approximately 82 square miles and is situated in the State of New Jersey along the western boundary line of the County of Ocean. The Township is located approximately 70 miles from the New York-New Jersey metropolitan region and approximately 60 miles from the Philadelphia-New Jersey metropolitan region.

The Township of Manchester is bounded by the Township of Jackson to the north, the Township of Lakewood to the northeast, the Township of Toms River to the east and southeast, the Townships of Berkeley and Lacey to the south, and the Townships of Woodland and Pemberton, in the county of Burlington, to the west.

Today, Manchester Township continues to be one of the best-known communities in the northeastern United States for its extensive retirement communities that made the Township one of the fastest growing communities in New Jersey during the period from 1965 through 2010. The future of Manchester Township will be directly affected by the extent of the numerous environmental and planning regulations at the State, Regional, and County levels. The regulations on development will preserve much of Manchester Township as it existed more than two hundred years ago.

Manchester, with over 75 percent of its population age sixty-five or over, has experienced a significant increase in its aging population since 1970. Manchester is experiencing a slowdown of its total population growth. It is predicted that the population composition in the future may increase due to a younger constituent. These changes can be important considerations in planning for the future educational, residential, commercial, office, recreational, public facilities and other needs of the Township. There are a number of new age restricted and non-age restricted housing developments that will materialize in the future which will help increase the net assessed valuation of the community and enrollment.

Manchester currently has six school buildings ranging in age from 30 years old to 65 years old. Given the age of the buildings, the schools are in excellent condition. The District passed two referendums in the last 15 years that have allowed for significant improvements to infrastructure, HVAC equipment, lighting, security, grounds and building appearance. The focus of this work was to improve school security and improve energy efficiency. The referendums were partially financed by Regular Operating District Grants (ROD) and Debt Service aid that paid for 40% of the project cost with the taxpayers only paying 60% of the project cost. More recently, the District was able to do additional upgrades to HVAC, windows, doors and purchased equipment to support improvement of indoor air quality with the use of CARES, ESSER II and ESSER ARP Federal funds.

3. Major Initiatives and Long-Term Planning

Goal: Raise academic expectations and improve student performance

Status: School level objectives were developed and submitted in reference to the state assessments and subgroups not meeting Annual Yearly Progress (AYP). The following programs were implemented and/or expanded in the District:

Implementation of the goals through specific objectives is a continuous process. However, implementation of the specific objectives occurs within specific timelines. The goals implemented and completed in 2022-2023 were:

Goal: Raise Academic Expectations, Improve Student Performance, and Expand Opportunities regardless of in person or remote instruction

Status: The following programs were implemented and/or expanded in the District:

Elementary:

Summer Jump Start Program focuses on Reading and Math

New Jersey Student Learning Standards revisions have been shared with teachers. Teachers worked on curriculum revisions.

Reading Assessment (DRA) administered at all grade levels

Fundations Reading Program Implemented into Kindergarten to Third Grade and utilized as a Tier 2 Intervention

Just Words Interventions in Fourth and Fifth Grade

Guided Reading and Strategy Groups

Flexible Grouping and Interventionist Model for Basic Skills Instruction

iReady Diagnostic Assessment for all students K-5

Linkit Assessments for students in grades 2-5

Formative Assessments

Benchmark Assessments

Writers Workshop

School-Based Assessment Committee

Title I Before/After School Programs

Unpacking the Next Generation Science Standards (NGSS)

MTSD Tiered System of Supports

Middle School:

Title I Club Success

Title I Stepping Up – Summer Program

Summer Enrichment Program

School Assessment Committee

Pre/Post Test in Math and Language Arts - IXL

Reading and Writing Workshop

Interdisciplinary Literacy and Vocabulary Initiative

Benchmark Assessments – Linkit!

Developmental Reading Assessment (DRA) administered to all basic skills and special education students

Restorative Practices

High School:

Student Opportunities for Achievement and Readiness (SOAR)

Advanced Placement Courses

Dual Enrollment Pathways

Academic Intervention & Mastery (AIM)

College and Career Readiness (CCR) Prep classes Language Arts and

Math School Assessment Committee

Special Education/General Education articulation

Credit Recovery Program- Apex Learning

EdReady Program with Ocean County College

LinkIt!

Formative Assessments: Commonlit, Big Ideas, Document-based Questions Content-Area Common Assessments

School Assessment Committee

Constructed Response Tasks Aligned to NJSLA

Portfolio Assessments are conducted as appropriate

Summer and after school programs were expanded to include enrichment in areas such as AP Boot camp, Band, and Art

Seal of Biliteracy

Science Curriculum revised to reflect Next Generation Science Standards

(NGSS) all curriculum aligned to the 2020 New Jersey Student Learning

Standards MTSD Tiered System of Support

Restorative Practices

Community Outreach

Structured Learning Experience (SLE)

Transition Coach supports students going into community

Technology Coach

District:

District Assessment Committee

MTSD Tiered System of Supports Committee

Professional Development Committee

Curriculum Articulation meetings

Parental Engagement Meetings – Literacy Summer Kick Off and Family Skills Night

Parent Advisory Committees (PAC)

Special Education Advisory Committee (SEPAG)

School Safety Teams

ESL Parent Advisory Committee Meetings

Teacher Efficacy Training

Culturally Responsive Classroom Training

Sheltered English Instruction Training

Basic skills teacher/parent meetings

Goal:

Provide best possible facilities for learning and ensure a safe and caring environment for education and extracurricular activities.

Status

The District started renovations to five schools in May 2015 as part of a school improvement project that was passed by the voters in September 2014. The renovations included but were not limited to roof repair and replacement, heating, ventilation, and air conditioning replacement, security upgrades, energy efficient lighting and fixtures, electric to natural gas conversion at two schools and site work. This project is addressing some of the most critical needs in the District. The project was completed as of June 2019. The district continued to do improvements in the buildings through federal grant opportunities which allowed us to install windows, doors and HVAC equipment.

- The District utilizes a School Resource Officer "SRO", through a shared service inter-local agreement. This officer, who is located in the high school, has been a positive addition to our staff and has been an invaluable resource to improving the safety and security in the high school.

- The District maintained two full time security staff members for the 2024-2025 school year at the high school to assist the School Resource Officer. After extensive research including conversations with parents, staff, Township Police and other representatives it was determined that additional security personnel would provide another level of safety at the high school.

- The District maintained four Class III officers in 2024-2025 to bolster school security. Each school now has an armed officer in place.

- Continue to have meetings to review our lock-down, active shooter/A.L.I.C.E training, and bomb threat and evacuation procedures. The relationships between the Township and the schools have been excellent in this area.

- The District uses a program districtwide called Share 911. This notification program alerts staff and police when an event occurs. It allows staff and law enforcement to communicate in real time. It is also used to locate staff and students during an event.

- Reviewed the School Safety Manual and the First Thirty Minutes Manual with the Administrative Team. Each principal reviewed and discussed these at the beginning and throughout the year at faculty meetings.

- All schools have a security vestibule with card readers and upgraded cameras to assist with entry procedures.

- Visitor Management Systems were added to do background checks prior to visitors entering the buildings.

- All Administrators attended workshops including mandated Gang Awareness and Harassment, Intimidation and Bullying Workshops.

- Working with Township Officials and Administrative Team to identify areas that need to be addressed throughout the District. An action plan will be developed addressing these areas as budgetary funds allow.

- The District installed a new phone system in all District schools. This will improve communication between classrooms and the main office. It also provides several notification options in the event of an incident in the school.

- Every school now has interior and exterior surveillance cameras throughout the buildings.

Goal:

Focus on reducing utility costs through energy conservation

Status Since the inception of the Energy Education program in October 2009, the District has reduced energy costs by over $6.3 million. The cost reduction has allowed the District to maintain staff and programs that otherwise may have been lost due to tax levy cap restrictions.

Through the school improvement project passed by the taxpayers in September 2014, the District has upgraded much of its lighting to LED lights with occupancy sensors, converting fully electric buildings to include a natural gas component, installing energy efficient HVAC equipment and updating controls for this equipment.

The District will be looking into additional solar and energy savings options at our schools in the future to combat the steep increase in energy costs in the state.

Goal: **Review, Revise and Adopt All Policies to Reflect changes in State Requirements and Address areas of Need**

Status: This year has been another year of a significant amount of new regulations and mandates coming from the State. The District's entire policy manual has been updated to comply with all the new laws, regulations and mandates. The District continues to develop policies that address the new mandates.

Goal: **Continue to maintain and upgrade District technology**

Status: The District maintains over 1,000 computers. Each year, the District purchases a block of new computers to replace older units that have reached their life expectancy and are no longer effective. The replaced units are either repurposed or used for parts. In addition to computers, the District has purchased Touch Screen Displays, Laptops, Chromebooks, and document cameras to be used as part of the instructional process in all the District schools. The District wireless network continues to be improved and additional bandwidth was needed to support growing technology. At present, the District has over

4,500 Chromebooks in the District. The District's focus going forward is a maintenance and replacement plan for our equipment.

Long-Term Planning:

As we look to the future of Manchester Township School District the following assumptions are made:

- Tax levies for the school district cannot exceed 2% unless we meet one of the few exceptions. This means our costs, many of which are beyond our control must remain within the tax levy cap.

- School personnel and healthcare costs have the largest impact on the school budget. Therefore, these costs will have a significant role on future budgets. The School Employee Health Benefit Plan (State) had an aggregate increase of over 30% which will have a significant impact in the 2025-2026 budget and beyond.

- Energy costs have been relatively stable thanks to a program the District implemented in October 2009. To date, the program has saved the District over $6.3 million dollars in energy cost. The District has maintained solar panels at the high school since 2004 and through our recent referendum upgraded nearly 70% of its heating, ventilation, air conditioning, lighting and controls in an effort to save energy costs. Energy costs are expected to increase this winter and that could affect this and future budgets.

- Controllable expenditures will be held to an inflationary growth of 2% or less where possible in future budget cycles.

- The District will work to maintain Capital and Maintenance reserves despite the 2% tax levy cap and flat state funding so it can address needs that may arise to improve or add to our existing facilities.

- The District has seen a dynamic demographic shift in its communities. Many of the families purchasing homes and moving into town do not send their children to Manchester Schools. They are sent to religious private schools. As part of this shift, we have also seen a very large increase in our Multi Language Learner student population in the District as many of the homes being purchased are currently being leased to families who have children with limited English proficiency. This has also driven up enrollment in Charter Schools. The district is responsible to pay tuition for each of these students to attend these schools. The average tuition is about $22,000 per student with an enrollment of 24 students. We have also seen a significant increase in our transportation cost as well related to this shift under the Aide in Lieu requirement that requires the district to make a payment for each eligible child it cannot transport to schools within 20 miles of the school district. The District was paying $37,000 in 2019-2020 and is now projected to spend over $1,200,000 in 2025-2026. We are currently in discussions with community leaders to determine what transportation options might be available.

- The District completed a Strategic Plan after an extensive process that took several months with input from parents, students, staff members and community members. The data was collected from all the stakeholders, analyzed and resulted in establishing District goals.

- There have been several new developments going up in the area and some additional developments planned. We have seen new students from these developments which has helped. However, it is still too soon to determine how many more students we will receive from these new homes.

The District will face many challenges in the upcoming years. The change in the demographic in town will continue to put a strain on budgetary resources. The sunset of federal aid that was used to cover costs for staff, equipment, software, professional development and instructional and non-instructional supplies will require decisions to be made on what the District will be able to maintain in its operating budget. The significant increase in budgetary expenses for items such as salaries, healthcare, liability insurance, pension costs, and utilities over our 2% tax levy cap puts the District in a fiscal hole each year. With the possibility of losing federal funding and seeing flat or reducing state aid in 2026-2027, the District could be hitting a "fiscal cliff" that will require major programmatic and staffing changes.

4. <u>Internal Control</u>

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal and state financial assistance programs, as well as to evaluate whether the District has complied with applicable laws and regulations relating to its major programs.

5. <u>Budgetary Controls</u>

In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget submitted to the Department of Education. In accordance with the New Jersey Quality Single Accountability Continuum, the District develops a budget calendar to set the schedule of benchmarks for the budget.

Budget development begins with a review of personnel and new staffing requests, health benefit projections, district-wide instructional initiatives and capital projects. Departmental and school budget requests are reviewed to ensure compliance with educational objectives and budget thresholds. State aid allocations are announced late in the budget development process and budget adjustments are made accordingly. Budget requests are populated in the Department of Education budget software and are reviewed for compliance with regulations. The Board of Education receives monthly reports on the budget development process.

A preliminary budget is finalized and presented to the Board of Education for approval. The preliminary budget is then submitted to the New Jersey Department of Education Executive County Superintendent of Schools for comments and approval. The preliminary budget is modified as necessary and the annual budget is adopted by the Board of Education for the general fund, the special revenue fund, and the debt service fund. The Board of Education for the District maintains and controls the legal level of control over the budget, which is made at the line-item level. A copy of the approved user-friendly budget is posted to the District's website for easy access by the community. The final adopted appropriated budget as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2025.

6. <u>Accounting System and Reports</u>

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the GASB. The accounting system of the District is organized based on funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

7. <u>Other Information</u>

A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information, and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

B. Awards: The International Association of School Business Officials (ASBO) awarded a "Certificate of Excellence in Financial Reporting" to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This is the thirtieth consecutive year that the District has received this prestigious award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

The Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2024-2025 certificate.

8. Major Operations or Financial Concerns

The District currently receives approximately 11% of its revenues from state sources because the school funding formula considers Manchester Township a wealthy District based on the primary components of the funding formula that are residential income and property value. Since 75% of our population is 55 and older and do not send children to the District, the income and property value skews the formula and determines a higher ability to pay by our taxpayers. This has caused budget preparation concerns because of the conscientious decision to work within the cap constraints and not increase the appropriation side of the budget. The need for increased state aid in the form of senior stabilization and as a "DFG-B" Level District, 100% funding to meet facility requirements is needed to help stabilize the tax rate for its citizens.

The District has seen a dynamic demographic shift in its communities. Many of the families purchasing homes and moving into town do not send their children to Manchester Schools. They are sent to religious private schools. As part of this shift, we have also seen a very large increase in our Multi Language Learner student population in the District as many of the homes being purchased are currently being leased to families who have children with limited English proficiency. This has also driven up enrollment in Charter Schools. The district is responsible to pay tuition for each of these students to attend these schools. The average tuition is about $22,000 per student with an enrollment of 24 students. We have also seen a significant increase in our transportation cost as well related to this shift under the Aid in Lieu requirement that requires the district to make a payment for each eligible child it cannot transport to schools within 20 miles of the school district. The District was paying $37,000 in 2019-2020 and is now projected to spend over $1,200,000 in 2025-2026. We expect these numbers to continue to grow over the next several years which will continue to divert budgetary resources away from district schools to support costs of students attending private schools.

Manchester is currently in a stable financial position. With the implementation of the 2% tax levy cap a few years ago, it has been extremely challenging developing budgets within that cap that provide the resources needed for the District to provide a thorough and efficient education. The District has been able to maintain most staff and programs, develop curriculum, expand technology, improve security, introduce some new programs and maintain facilities. Each year the District is faced with new challenges. With the uncertainty of available funding for state and federal school aid, the tax levy cap, certain costs increasing each year well beyond the tax levy cap, the uncertainty of special education costs and new mandates from the state, planning for the future is on a year-to-year basis.

9. Significant Budget Variations or Modifications Discussion for Next Year

The impact of the increase in the Federal Minimum Wage will mean significant budget variation in the 2024-2025 budget and beyond. Currently, minimum wage is $15.49 per hour. This rate will increase to $15.92 per hour in January 2026. This rate increase will affect most if not all District substitute staff and will increase the cost we pay to provide coverage for staff absences.

The increased cost will require resources from other areas of the budget to be reallocated to personnel costs.

The increase in fuel cost is going to have a major impact on future budgets if costs do not come back down. The District utilizes approximately 60 school vehicles that require diesel and unleaded gasoline. Our bus fleet drives approximately 850,000 miles a year with the average vehicle getting about 7-10 miles a gallon. Additionally, with a continued shortage of bus drivers the District is forced to contract out more runs, which are also costlier due to the rise in fuel prices.

The increase in District health benefit costs of over 30% will have a significant impact on the budget this year and next year. The District participates in the New Jersey School Employee Health Benefits Program and they offer medical plans where employee contributions toward their benefit costs are tied to insurance premiums or salary. There is a statewide push to get staff to move to the plans where contributions are based on salary. In this case, the school districts bear the majority of the cost when premiums increase. We are expecting this trend to continue for the near future.

The impact of families that have moved into town and send their children to private schools will continue to have a significant impact on the budget. The District is required to transport these students or pay Aid in Lieu for each school-aged child. The District has seen these payments increase over 2,000% in the past three years. It is anticipated that these payments will continue to grow as more families move into town.

The District has seen the largest out of district special education population in recent years. With recent move-in's and student behavioral issues becoming more prevalent, the District has been required to find more suitable placements for these students in private schools for the handicapped. These costs can range from $75,000 to $200,000 per child depending on the program and services required. This has put a tremendous strain on the budget.

With the comprehensive funding formula that is being developed at the state level, it is unknown regarding the manner in which the budget needs to be modified. The District cost per pupil is slightly above state average at present, but the lack of information concerning State School Aid makes the future of funding education in Manchester unclear.

10. Acknowledgments

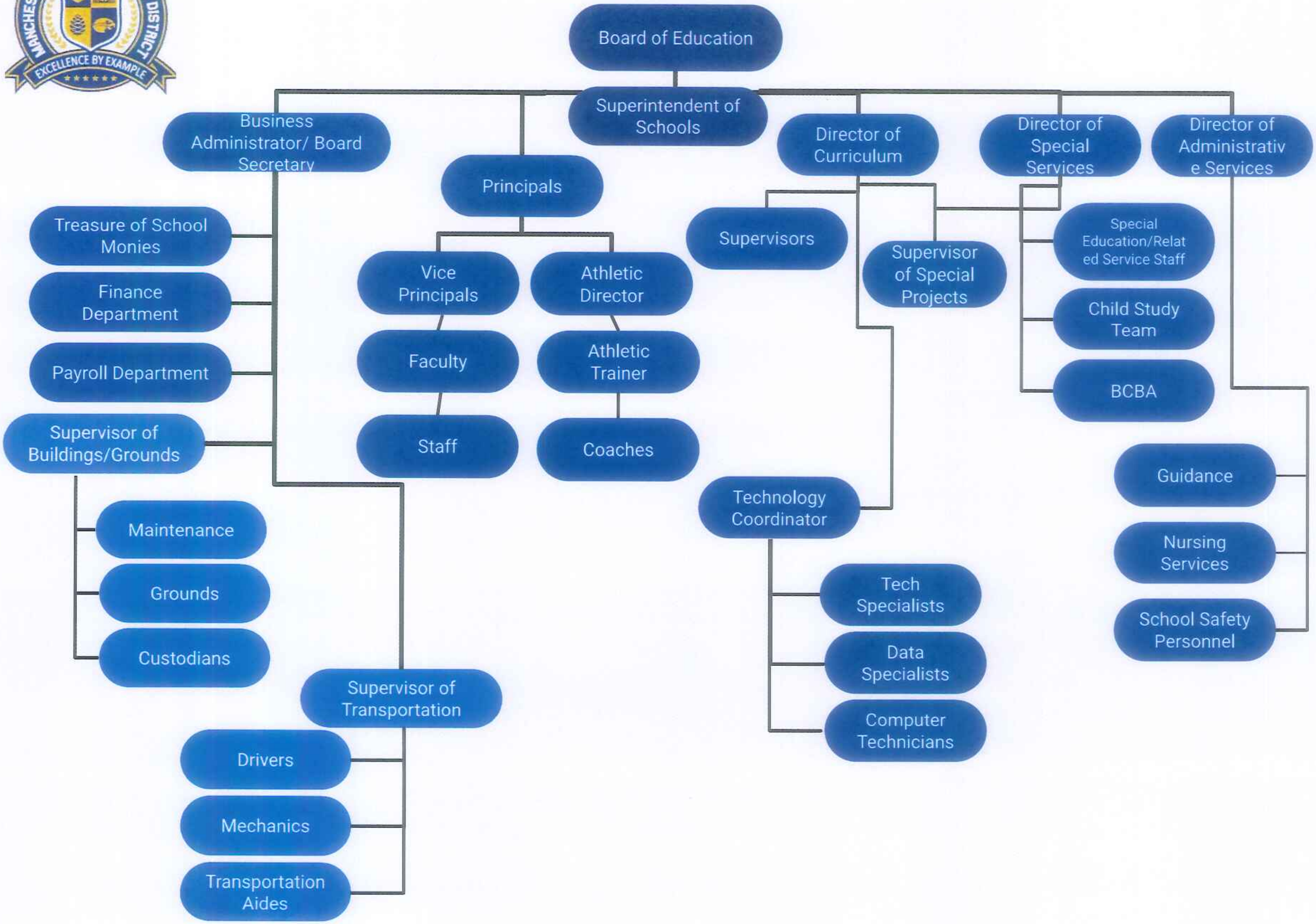
We would like to express our appreciation to the members of the Manchester Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,

Diane Pedroza
Superintendent of Schools

Craig A. Lorentzen, CPA
Business Administrator

Manchester Township Public Schools



Manchester Township School District
Manchester Township, New Jersey

Roster of Officials

June 30, 2025

<u>Members of the Board of Education</u>	**Term Expires**
Gayle Mount, President	2025
Laura Wingler, Vice President	2026
George Cervenak III	2027
Michael Kelliher	2027
Faye Weinstein	2025
Timothy Poss	2026
Gloria Adkinson	2026
Joel Merkin (Lakehurst Board Representative)	

<u>Other Officials</u>

Diane Pedroza, Superintendent of Schools

Craig A. Lorentzen, CPA, Board Secretary/School Business Administrator

Manchester Township School District
Manchester Township, New Jersey

Independent Auditors and Advisors

Independent Auditors
PKF O'Connor Davies, LLP
20 Commerce Drive, Suite 301
Cranford, NJ 07016

Attorney
Thomas Monahan, Esq.
Dasti, Murphy, McGuckin, Ulaky, Koutsouris & Connors
The Clocktower Building
620 West Lacey Road
P.O. Box 1057
Forked River, New Jersey 08731

Official Depositories
Ocean First Bank
400 Lacey Road
Whiting, New Jersey 08759

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Manchester Township School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Financial Section

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Manchester Township School District
County of Ocean
Whiting, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Manchester Township School District, Ocean County, New Jersey (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, 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 (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Policy

We draw attention to Note 19 in the notes to the financial statements which discloses the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*." Our opinion is not modified with respect to this matter.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2025. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 03, 2025, on our consideration of the District'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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 03, 2025

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant, No. 2486

Required Supplementary Information – Part I

Management’s Discussion and Analysis

As management of the Manchester Township School District (the "District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on schedules A-1 and A-2 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget and supplementary information for the debt service fund.

The basic governmental fund financial statements can be found on schedules A-1 and A-2 of this report.

Proprietary funds. The District maintains two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service program and regional day school, both of which are considered to be major funds of the District. The internal service funds are used to accumulate and allocate costs internally among the District's various functions or for providing a service to other entities on a break-even basis over time. The District uses two internal service funds to account for services provided to other entities for transportation and SAT preparation. The internal service funds have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with governmental funds, enterprise funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found schedule B-3 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2025 and 2024:

Manchester Township Board of Education

Manchester Township, New Jersey

Net Position

	June 30, 2025			June 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets						
Current and other assets	$ 6,540,524	$ 4,382,466	$ 10,922,990	$ 7,951,750	$ 5,162,660	$ 13,114,410
Capital assets, net	41,464,999	962,202	42,427,201	43,534,066	521,172	44,055,238
Total assets	48,005,523	5,344,668	53,350,191	51,485,816	5,683,832	57,169,648
Deferred outflows of resources	3,623,873	468,022	4,091,895	3,053,078	351,843	3,404,921
Liabilities:						
Current liabilities	8,855,324	712,394	9,567,718	7,882,009	317,820	8,199,829
Net pension liabilities	15,580,619	2,122,879	17,703,498	15,620,400	2,129,895	17,750,295
Long-term liabilities outstanding	13,409,472		13,409,472	14,286,107		14,286,107
Total liabilities	37,845,415	2,835,273	40,680,688	37,788,516	2,447,715	40,236,231
Deferred inflow of resources	1,084,394	6,338	1,090,732	1,264,671	38,134	1,302,805
Net position:						
Net investment in capital assets	30,851,581	962,202	31,813,783	30,589,842	521,172	31,111,014
Restricted	2,732,536		2,732,536	4,181,614		4,181,614
Unrestricted	(20,884,530)	2,008,877	(18,875,653)	(19,285,749)	3,028,654	(16,257,095)
Total net position	$ 12,699,587	$ 2,971,079	$ 15,670,666	$ 15,485,707	$ 3,549,826	$ 19,035,533

Governmental Activities

The decrease in current and other assets from the prior year of approximately $1,400,000 was primarily attributable to the following. There was a decrease of approximately $900,000 in the current year Special Revenue Fund accounts receivable balance from the prior year, which resulted from the expiration of COVID-19 grants. The remaining difference was driven by a reduction to the General Fund cash balance of approximately $500,000 resulting from overall increases in expenditures from the prior year.

Capital assets, net, decreased from the prior year. Depreciation and amortization expense of $3,665,697 was offset by capital asset acquisitions of $1,596,630.

Collectively, current and long-term liabilities increased by approximately $96,680 as a direct result of the following. Increase in accounts payable at year end due to timing of payments. A decrease in long term liabilities due to no new debt issuance and payment of outstanding debt and lastly an increase in accrued salaries which is related to the timing of final payroll.

Significant changes to the deferred outflows and deferred inflows of resources pertain primarily to the impact of the changes in the GASB Statement No. 68 net pension liability calculation. The changes in 2025 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2024 and rolled forward to 2025. The net pension liability associated with the District's governmental activities at June 30, 2025 amounted to $15,580,619, which was a decrease of approximately $39,700 and resulted from changes in the net pension calculation.

The largest portion of the District's governmental activities net position is its net investment in capital assets, $30,851,581 (e.g., land, construction-in-progress, buildings and improvements, and furniture and equipment, and right-to-use asset), less accumulated depreciation and amortization and any related debt (general obligation bonds payable, obligations under leases and financed leases payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The restricted portion of the net position in the amount of $2,732,536 is comprised of amounts restricted for Maintenance Reserve in the amount of $40,483, amounts restricted for Capital Reserve in the amount of $1,863,755, amounts restricted for Unemployment Compensation in the amount of $300,747, amounts restricted for Scholarships in the amount of $97,221, amounts restricted for Student Activities in the amount of $297,630 and excess surplus in the amount of $132,700 that is restricted to be utilized in the District's 2026 fiscal year budget.

The remaining deficit balance, ($20,884,530) of unrestricted net position reflects long-term obligations, such as compensated absences and the net pension liability.

Business-Type Activities

There was an decrease from the prior year of $246,163 in net position reported in connection with the District's business-type activities as a result of the following:

- For the Regional Day School, overall net position for the program decreased $102,058 driven by a increase in purchased professional services expenditures. This is due to the increased need to acquire substitutes teachers. Additionally, GASB Statement No.101, *"Compensated Absences"* was implemented within the current year which increased expenditures by approximately $72,200.
- Food Service, overall net position decreased by approximately $144,000 driven by an increase in expenses and a decrease in operating revenue which related to student and teacher purchasing.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2025 and 2024 are as follows:

Manchester Township Board of Education
Manchester Township, New Jersey

Changes in Net Position

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	$ 3,261,779	$ 8,469,351	$ 11,731,130	$ 3,205,976	$ 8,761,851	$ 11,967,827
Operating and capital grants and contributions	5,603,113	1,494,182	7,097,295	7,919,477	1,429,167	9,348,644
General revenues:						
Property taxes	55,359,625		55,359,625	53,583,821		53,583,821
Federal and state sources, unrestricted	16,492,772		16,492,772	15,386,105		15,386,105
Investment earnings						
Interest income	253,105		253,105	333,171		333,171
Miscellaneous	118,244		118,244	65,339		65,339
Total revenues	81,088,638	9,963,533	91,052,171	80,493,889	10,191,018	90,684,907
Expenses:						
Instructional services	49,704,108	2,083,158	51,787,266	46,414,165	1,954,544	48,368,709
Support services	32,506,815	8,126,538	40,633,353	31,609,388	7,271,604	38,880,992
Interest on long-term liabilities	252,265		252,265	362,877		362,877
Total expenses	82,463,188	10,209,696	92,672,884	78,386,430	9,226,148	87,612,578
Change in net position	(1,374,550)	(246,163)	(1,620,713)	2,107,459	964,870	3,072,329
Net position - beginning of year, as reported	15,485,707	3,549,826	19,035,533	13,378,248	2,584,956	15,963,204
Cumulative effect of change in accounting principle*	1,411,570	332,584	1,744,154			
Net position - ending	$ 12,699,587	$ 2,971,079	$ 15,670,666	$ 15,485,707	$ 3,549,826	$ 19,035,533

* Restated for change in accounting principle

Governmental Activities

The total general fund tax levy in 2025 was $55,359,625. That is an increase of $1,775,804 over the 2024 general fund tax levy of $53,583,821. The 2024-2025 tax levy increase is within the allowable percentage of the state-mandated 2% cap and a health benefit adjustment which made up the total increase.

Decrease of approximately $2,300,000 in operating and capital grant contributions was directly attributed to elimination of COVID-19 grants. These grants had a program period through September 30, 2024,

Increase of approximately $4,076,758 in expenses which resulted from an increase in students who required various support for special needs and transportation expenses.

The current year impacts of Governmental Accounting Standards Board (GASB) Statement No. 75 (OPEB) and Statement No. 68 (Pensions) contributed primarily to the changes to the federal and state source revenue. Actuarial calculations can be volatile and are driven by variables including the discount rate, various assumptions and deferred inflows and deferred outflows.

Business-Type Activities

- Charges for services decreased by approximately $292,500 from 2024 primarily driven by the decrease in non-reimbursable daily food sales.

- Expenses increased by approximately $911,000 compared to the 2024 fiscal year, a large portion of which is directly attributable to an increase in Regional Day School Expense. The client had an increase within employee benefits that was related to the GASB 68 pension adjustment. Additionally, there was an increase within purchased professional services due to an increase in substitutes required.

Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as restricted, assigned and unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2025, and the increases in relation to the prior year.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase (Decrease)
Local Sources	$ 58,662,645	67.44%	$1,813,579	3.19%
State Sources	26,111,398	30.02%	746,209	2.94%
Federal Sources	2,207,141	2.54%	(1,748,375)	-44.20%
Total	$86,981,184	100.00%	$811,413	3.54%

The increase in local sources is mainly attributable to the general fund and debt service fund tax levy increase. As mentioned previously, the District's overall increase in the tax levy is within the 2% levy cap as promulgated by the State Legislature and a health benefit adjustment which made up the total increase.

The increase in state sources is driven by the adjustment for prior year encumbrances and final two state aid payments. The decrease in federal sources is the result of the District spending no longer receiving federal funding from the Elementary and Secondary School Emergency Relief American Rescue Program.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2025 and the increases and (decreases) related to the prior year:

Expenditures	**Amount**	**Percent of Total**	**(Decrease) Increase from 2024**	**Percent of (Decrease) Increase**
Current expenditures:				
Instruction	$ 28,781,487	32.31%	$ (78,875)	-0.27%
Undistributed expenditures	55,781,766	62.62%	2,680,935	5.05%
Capital outlay	1,976,890	2.22%	(2,329,882)	-54.10%
Debt service:				
Principal	2,205,000	2.48%	5,000	0.23%
Interest	328,369	0.37%	(81,475)	-19.88%
Total	$89,073,512	100.00%	$195,703	0.22%

The decrease in capital outlay expenditures is due to the expiration of COVID-19 funding. Within the prior year the client had various capital assets that were purchased with the grant funding that is no longer available.

The increase in undistributed expenditures is directly related to the increased in instruction costs within the current year. This is driven by the District paying more for out of district tuition for special needs students than in the prior year and for tuition adjustments for out of district tuition from previous years.

Debt service fluctuations are in line with amortization schedules.

General Fund

The fund balance decreased by approximately $1,555,000 during the 2025 fiscal year primarily as the result of an excess of expenditures over revenue. Specifically, there was a large increase in undistributed instruction expenditures mentioned above. Additionally there were increases in benefit costs and student transportation costs attributing to the overall decrease in fund balance. As of June 30, 2025, the District has an unassigned fund balance of $656,834 The District designated $132,700 in excess surplus for the subsequent years' expenditures, which is restricted for the subsequent years' budget. Additionally, the District maintains a capital reserve restricted fund balance in the amount of $1,863,755 for future capital improvements, as well as a maintenance reserve restricted fund balance in the amount of $40,483 for future maintenance projects. $300,747 is restricted for unemployment compensation and $74,646 is recorded in encumbrances and assigned for other purposes.

Special Revenue Fund

The fund balance increased by approximately $7,000. Fund balance in the Special Revenue Fund is the result of student activity and scholarship balances less the change in the last two state aid payments not recognized on the GAAP basis. Overall, expenditures in the Special Revenue Fund decreased by approximately $2,000,000 as a result of an elimination of Elementary and Secondary School Emergency Relief American Rescue Program.

Capital Projects Fund

As of June 30, 2025, the District's Capital Project's Fund Balance was $0 which represented no change from prior year.

Debt Service Fund

As of June 30, 2025, the District's Debt Service Fund Balance was $0. which represented no change from prior year.

Capital Asset and Debt Administration

Capital Assets. The District has capital assets, net of accumulated depreciation and amortization, including land, construction in progress, buildings, facilities, equipment and vehicles noted as follows at June 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$1,220,818	$1,220,818			$1,220,818	$1,220,818
Buildings and building improvements	36,379,616	37,556,989			36,379,616	37,556,989
Machinery, equipment and vehicles	3,612,209	4,661,966	$521,172	$962,202	4,133,381	5,624,168
Right-to-use asset	252,356	94,293			252,356	94,293
Total capital assets, net	$41,464,999	$43,534,066	$521,172	$962,202	$41,986,171	$44,496,268

For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2025 and 2024:

	2025	2024
Bonds payable (net)	$8,285,000	$11,095,435
Financed purchases payable	1,855,265	2,104,470
Obligations under leases	242,037	72,233
Premiums on bonds	483,830	622,874
Discounts on bonds	(12,789)	(17,438)
Compensated absences	5,752,125	5,374,502 *
Total long-term liabilities	$16,605,468	$19,252,076

* As restated

For more detailed information, please refer to Note 6 to the basic financial statements.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget other than transfers between appropriation accounts, budgeted withdrawals from maintenance and capital reserves and an adjustment for prior year encumbrances.

Described below are explanations for variations in realized revenues and expenditures for those lines where the final budgeted amounts differ from the actual amounts by more than $500,000 and 5%. All other fluctuations less than $500,000 and 5% are considered immaterial.

- On-behalf TPAF pension and reimbursed social security contributions are unbudgeted revenue sources. Consequently, actual revenues as well as the related expenditures exceeded the final budgeted amount by 100%
- Assets acquired under lease is an unbudgeted expense source. Consequently, actual expenditures exceed the final budgeted amount by 100%

Economic Factors and Next Year's Budget

The Manchester Township Board of Education is financially stable. The School District is proud of the community support of its public schools. The District will continue to be financially sound through cost efficient and effective means in all areas.

The state funding of education in New Jersey is causing an undue hardship on most districts in the state and Manchester is no exception. The District received approximately 11% of its general fund budget from categorical state aid during 2025-2026 school year, excluding on-behalf TPAF, FICA and pension when the average ranges from 40-70% in other Districts of similar size and type to Manchester. This presents an enormous disadvantage to all the constituents of Manchester. District representatives have attended several meetings over the inequity of the school funding formula and how the formula determines that Manchester is wealthy based on income and property value when in reality our median income of $58,612 is the 2nd lowest in Ocean County. We are 9% below the poverty level and the average home value is $366,100 after a recent revaluation in town. The funding formula for state aid has not significantly favored funding for the District.

The District maintains over 1,000 devices and on an annual basis purchases blocks of new computers to replace older units that have reached their life expectancy and are no longer effective. The replaced units are either repurposed or used for parts. In addition to computers, the District has purchased Epson Bright's, Flat Panel Displays, Laptops, Chromebooks, iPads and document cameras to be used as part of the instructional process in all the District schools. The District has fully implemented new state testing mandates. The District installed a wireless network throughout the District and added additional bandwidth, new computer labs, laptops, Chromebooks and desktops to meet the testing requirements. At present, the District has over 4,500 Chromebooks in the District. Additionally, our instructional classrooms are now equipped with interactive projectors and monitors. The additional technology equipment requires us to continually monitor our Wi-Fi capabilities and make upgrades where needed.

The District has continued its energy savings program in an effort to reduce the demand required from the public utility companies due to rising utility costs. This program is a people-based program intended to reduce energy consumption by implementing certain cost savings measures. Since its inception in October 2009, the District has reduced its energy costs by over $6,300,000. With the recent surge in energy costs, the district will be looking into solar and other possible energy savings options.

In the upcoming school year, Manchester will continue to participate and seek opportunities through shared services with municipalities and other school districts as well as cooperative purchasing agreements to reduce District operating costs.

The District is in its fourth full year of receiving state aid for the Preschool Education Aid program. There are approximately 250 three and four year olds in both regular education and special education enrolled in a full day program. This has helped stabilize a declining enrollment. This program has been very well received in our community. As we look to expand this program, space in our schools may become an issue and the District may need to look at other ways to grow the program.

The demographics in Manchester continue to change. More families that sent their children to the District are moving out of town and the families moving in are not sending their students to Manchester. They are going to various private schools in surrounding towns. This has had an impact on District enrollment and the budget as the district is responsible for transporting students to private schools through either district busing, contracted busing or aid in lieu. This will continue to have an incremental impact in future school years. This demographic change has also added new expenses to the budget for Charter School Tuition students, special education students and our Multi Language Learner population has increased so quickly that we have needed to allocate more resources to staffing and services.

Our special education population has grown faster than we have seen in previous years. We have seen a large increase in students that need more services. The district currently has 55 students attending private or public schools for the disabled and has a total of 730 special needs students with Individual Education Plans. In addition to that, many of these students require full time aides and nurses. Due to the volatility of special education, it is hard to predict what will happen in the upcoming year but costs are trending upward.

The increase in District health benefit costs of over 30% will have a significant impact on the budget this year and next year. The District participates in the New Jersey School Employee Health Benefits Program and they offer medical plans where employee contributions toward their benefit costs are tied to insurance premiums or salary. There is a statewide push to get staff to move to the plans where contributions are based on salary. In this case, the school districts bear the majority of the cost when premiums increase. We are expecting this trend to continue for the near future.

The cost of supplies, utilities, equipment, materials, labor and supply chain issues have added more operational cost to the District. These costs are increasing at a rate that exceeds our tax levy cap. As these costs increase, more funds are being diverted from other budget areas to support the rising costs. The District will continue to monitor this and look for ways to reduce operational cost.

The District continues to look to the future for a better way to fund public education. In addition, the Manchester Township School District has committed itself to financial excellence for many years. The District's system of financial planning, budgeting and internal financial controls are well respected, and the District has received the certificate of excellence in financial reporting from International ASBO for 30 years in a row. The School District plans to continue its sound fiscal management to meet the challenges of the future.

All of these factors were considered in preparing the District’s budget for the 2025-2026 fiscal year. The reduction and/or stabilization of state aid will make future budgets difficult.

Requests for Information

This financial report is designed to provide a general overview of the Manchester Township School District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator, P.O. Box 4100, 121 Route 539, Whiting, New Jersey 08759-4100.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District’s operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2025.

Manchester Township School District

Statement of Net Position

June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 3,583,368	$ 2,414,674	$ 5,998,042
Accounts receivable	2,957,156	1,939,322	4,896,478
Inventories		28,470	28,470
Capital assets, non-depreciable	1,220,818		1,220,818
Capital assets, net of depreciation and amortization	40,244,181	962,202	41,206,383
Total assets	48,005,523	5,344,668	53,350,191
Deferred Outflows of Resources			
Pension deferrals	3,383,948	468,022	3,851,970
Deferred loss on defeasance of debt	239,925		239,925
Total deferred outflows of resources	3,623,873	468,022	4,091,895
Liabilities			
Accounts payable	2,329,162	287,368	2,616,530
Accrued salaries	130,768		130,768
Accrued interest payable	144,227		144,227
Payroll deductions and withholdings payable	2,927,959		2,927,959
Unemployment compensation claims payable	110,658		110,658
Unearned revenue	16,554	20,177	36,731
Net pension liability	15,580,619	2,122,879	17,703,498
Current portion of long-term obligations	3,195,996	40,485	3,236,481
Noncurrent portion of long-term obligations	13,409,472	364,364	13,773,836
Total liabilities	37,845,415	2,835,273	40,680,688
Deferred Inflow of Resources			
Pension deferrals	1,084,394	6,338	1,090,732
Net Position			
Net investment in capital assets	30,851,581	962,202	31,813,783
Restricted for:			
Capital reserve	1,863,755		1,863,755
Maintenance reserve	40,483		40,483
Unemployment compensation	300,747		300,747
Scholarships	97,221		97,221
Student activities	297,630		297,630
Excess surplus	132,700		132,700
Unrestricted	(20,884,530)	2,008,877	(18,875,653)
Total net position	$ 12,699,587	$ 2,971,079	$ 15,670,666

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

Manchester Township School District

Statement of Activities

Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities						
Instruction	$ 49,704,108	$ 2,349,880	$ 3,180,382	$ (44,173,846)		$ (44,173,846)
Support services:						
Attendance/social work	83,676			(83,676)		(83,676)
Health services	527,389			(527,389)		(527,389)
Other support services	8,831,089	565,832	2,028,858	(6,236,399)		(6,236,399)
Improvement of instruction	1,195,606			(1,195,606)		(1,195,606)
Other support:						
Instructional staff	37,214			(37,214)		(37,214)
School library	322,275			(322,275)		(322,275)
General administration	2,807,560			(2,807,560)		(2,807,560)
School administration	4,791,054			(4,791,054)		(4,791,054)
Required maintenance of plant services	924,224			(924,224)		(924,224)
Operation of plant	5,314,968		393,873	(4,921,095)		(4,921,095)
Student transportation	7,671,760	346,067		(7,325,693)		(7,325,693)
Interest on long-term debt	252,265			(252,265)		(252,265)
Total governmental activities	82,463,188	3,261,779	5,603,113	(73,598,296)		(73,598,296)
Business-type activities						
Food service	2,083,158	607,511	1,331,542		$ (144,105)	(144,105)
Regional day school	8,126,538	7,861,840	162,640		(102,058)	(102,058)
Total business-type activities	10,209,696	8,469,351	1,494,182		(246,163)	(246,163)
	$ 92,672,884	$ 11,731,130	$ 7,097,295	(73,598,296)	(246,163)	(73,844,459)
			General revenues:			
			Property taxes, levied for general purposes	52,977,550		52,977,550
			Property taxes, levied for debt service	2,382,075		2,382,075
			Federal sources, unrestricted	31,759		31,759
			State sources, unrestricted	16,461,013		16,461,013
			Interest income	253,105		253,105
			Miscellaneous income	118,244		118,244
			Total general revenues	72,223,746		72,223,746
			Change in net position	(1,374,550)	(246,163)	(1,620,713)
			Net position—beginning of year, as reported	15,485,707	3,549,826	19,035,533
			Cumulative effect change in accounting principle	(1,411,570)	(332,584)	(1,744,154)
			Net position—beginning of year, as restated	14,074,137	3,217,242	17,291,379
			Net position—ending	$ 12,699,587	$ 2,971,079	$ 15,670,666

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

Fund Financial Statements

Governmental Funds

Manchester Township School District

Governmental Funds

Balance Sheet

June 30, 2025

	Major Funds		
	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 3,172,691	$ 394,852	$ 3,567,543
Accounts receivable:			
State	1,866,988		1,866,988
Federal	2,856	272,444	275,300
Other	755,322		755,322
Interfund receivable	448,693		448,693
Total assets	$ 6,246,550	$ 667,296	$ 6,913,846
Liabilities			
Accounts payable	8,000	146,768	154,768
Accrued salaries	130,768		130,768
Interfund payable		448,693	448,693
Payroll deductions and withholdings payable	2,927,959		2,927,959
Unemployment compensation claims payable	110,658		110,658
Unearned revenue		16,554	16,554
Total liabilities	3,177,385	612,015	3,789,400
Fund Balances:			
Restricted for:			
Excess surplus - prior year - designated for subsequent year's expenditures	132,700		132,700
Unemployment compensation	300,747		300,747
Scholarships		97,221	97,221
Student activities		297,630	297,630
Maintenance reserve	40,483		40,483
Capital reserve	1,863,755		1,863,755
Assigned to:			
Other purposes	74,646		74,646
Unassigned:			
General fund	656,834		656,834
Special revenue fund		(339,570)	(339,570)
Total fund balances	3,069,165	55,281	3,124,446
Total liabilities and fund balances	$ 6,246,550	$ 667,296	
Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $113,180,671 and the accumulated depreciation and amortization is $71,715,672.			41,464,999
Internal service funds are used by the District to charge the costs of the programs to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.			75,371
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.			(144,227)
Losses from the issuance of refunding bonds are deferred and amortized over the life of the bond.			239,925
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.			2,299,554
Accrued pension contributions and potential estimated litigation claims for the year ended June 30, 2025 are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.			(2,174,394)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.			(15,580,619)
Long-term liabilities, including bonds payable, leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.			(16,605,468)
Net position of governmental activities (A-1)			$ 12,699,587

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

Manchester Township School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2025

	Major Funds			
	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Local sources:				
Local tax levy	$ 52,977,550		$ 2,382,075	$ 55,359,625
Tuition	2,349,880			2,349,880
Interest income	253,105			253,105
Miscellaneous	118,244	$ 581,790	1	700,035
Total local sources	55,698,779	581,790	2,382,076	58,662,645
State sources	22,548,332	3,411,773	151,293	26,111,398
Federal sources	31,759	2,175,382		2,207,141
Total revenues	78,278,870	6,168,945	2,533,369	86,981,184
Expenditures:				
Current:				
Instruction	25,601,105	3,180,382		28,781,487
Undistributed-current:				
Instruction	5,332,079			5,332,079
Attendance/social work	61,332			61,332
Health services	527,389			527,389
Support services	3,563,971	3,267,303		6,831,274
Improvement of instruction	774,967			774,967
School library	209,455			209,455
Instructional staff training	37,214			37,214
General administration	508,817			508,817
School administration	2,122,148			2,122,148
Central services	557,027			557,027
Information technology	457,911			457,911
Required maintenance for school facilities	678,417			678,417
Operation of plant	4,602,740			4,602,740
Student transportation	5,785,338			5,785,338
Personal services - employee benefits	27,295,658			27,295,658
Capital outlay	1,583,017	393,873		1,976,890
Debt service:				
Principal			2,205,000	2,205,000
Interest			328,369	328,369
Total expenditures	79,698,585	6,841,558	2,533,369	89,073,512
(Deficiency) of revenues (under) expenditures	(1,419,715)	(672,613)	-	(2,092,328)
Other financing sources (uses):				
Transfers in		679,940		679,940
Transfers out	(679,940)			(679,940)
Leases (non-budgeted)	543,952			543,952
Total other financing sources (uses)	(135,988)	679,940	-	543,952
Net change in fund balances	(1,555,703)	7,327	-	(1,548,376)
Fund balances, July 1	4,624,868	47,954		4,672,822
Fund balances, June 30	$ 3,069,165	$ 55,281	$ -	$ 3,124,446

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in accompanying schedule (B-3).

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

Manchester Township School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Position

Year Ended June 30, 2025

Total net change in fund balances - governmental funds (from B-2)		$ (1,548,376)
Amounts reported for governmental activities in the statement of net activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of net position, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital asset additions in the period.		
Capital Asset Additions	$ 1,596,630	
Depreciation/Amortization Expense	(3,665,697)	(2,069,067)
Repayments of bond principal and lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of net position.		
Serial Bonds Payable	2,205,000	
Financed Purchases Payable	541,205	
Obligations Under Leases	82,148	2,828,353
Proceeds from financed purchases are a financing source in the governmental funds. They are not revenue in the statement of net position; the value of financed purchases increase long-term liabilities in the statement of net position.		
Financed Purchases Payable	292,000	
Obligations Under Leases	251,952	(543,952)
Changes to net pension liability, deferred outflows and deferred inflows reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Pension and Related Changes in Deferrals		809,951
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of net position. This amount is the net effect of these differences.		
Amortization of Premiums on Bonds	139,044	
Amortization of Discounts on Bonds	(4,649)	
Amortization of Deferred Loss on Defeasance	(87,990)	46,405
Internal service funds are used by the District to charge the costs of the internal programs to the individual funds. The activities of this fund are included in the statement of net position.		65
In the statement of net position, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount reflects the change from the prior year.		29,699
In the statement of net position, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		(927,628)
Change in net position of governmental activities (A-2)		$ (1,374,550)

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

Proprietary Funds

Manchester Township School District
Proprietary Funds

Statement of Net Position

June 30, 2025

	Major Funds			
	Business Type Activities - Enterprise Funds			
	Food Service	Regional Day School	Totals	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 231,083	$ 2,183,591	$ 2,414,674	$ 15,825
Accounts receivable:				
State	6,515	7,916	14,431	
Federal	86,405		86,405	
Other	13,942	1,824,544	1,838,486	59,546
Inventories	28,470		28,470	
Total current assets	366,415	4,016,051	4,382,466	75,371
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	1,795,087	2,597,595	4,392,682	
Accumulated depreciation	(888,500)	(2,541,980)	(3,430,480)	
Total capital assets, net	906,587	55,615	962,202	
Total noncurrent assets	906,587	55,615	962,202	
Total assets	1,273,002	4,071,666	5,344,668	75,371
Deferred Outflow of Resources				
Pension deferrals		468,022	468,022	
Liabilities				
Current liabilities:				
Compensated absences		40,485	40,485	
Accounts payable	55,038	232,330	287,368	
Unearned revenue	20,177		20,177	
Total current liabilities	75,215	272,815	348,030	-
Noncurrent liabilities:				
Compensated absences		364,364	364,364	
Net pension liability		2,122,879	2,122,879	
Total noncurrent liabilities		2,487,243	2,487,243	
Total liabilities	75,215	2,760,058	2,835,273	-
Deferred Inflow of Resources				
Pension deferrals		6,338	6,338	
Net Position				
Investment in capital assets	906,587	55,615	962,202	
Unrestricted	291,200	1,717,677	2,008,877	75,371
Total net position	$ 1,197,787	$ 1,773,292	$ 2,971,079	$ 75,371

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

Manchester Township School District
Proprietary Funds

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year Ended June 30, 2025

	Major Funds			
	Business Type Activities - Enterprise Funds			
	Food Service	**Regional Day School**	**Totals**	**Internal Service Funds**
Operating revenues:				
Local sources:				
Daily food sales-reimbursable programs	$ 167,427		$ 167,427	
Daily food sales-non-reimbursable programs	408,730		408,730	
Special functions	10,041		10,041	
Tuition		$ 7,716,860	7,716,860	
Miscellaneous revenue	3,781	144,980	148,761	
Total local sources	589,979	7,861,840	8,451,819	
Services provided to other funds				$ 346,067
Total operating revenues	589,979	7,861,840	8,451,819	346,067
Operating expenses:				
Salaries	594,860	4,662,937	5,257,797	101,497
Employee benefits	133,437	2,629,334	2,762,771	58,187
Purchased professional services		118,064	118,064	155,318
Purchased property services		157,597	157,597	
Other purchased services	39,400	375,111	414,511	
Supplies and materials	64,719	100,667	165,386	31,000
Depreciation	123,756	9,814	133,570	
Cost of sales program	786,897		786,897	
Cost of sales non-program	111,583		111,583	
Management fee	114,354		114,354	
Other objects	114,152	73,014	187,166	
Total operating expenses	2,083,158	8,126,538	10,209,696	346,002
Operating (loss) income	(1,493,179)	(264,698)	(1,757,877)	65
Nonoperating revenues:				
State sources:				
State school lunch program	60,383		60,383	
State breakfast program	11,542		11,542	
Reimbursed TPAF social security contribution		162,640	162,640	
S-EBT administrative cost reimbursements	1,501		1,501	
Federal sources:				
National school lunch program	860,529		860,529	
School breakfast program	245,038		245,038	
Local Food for Schools Cooperative Grant	3,892		3,892	
S-EBT administrative cost reimbursements	1,501		1,501	
Healthy Hunger-Free Kids Act (HHFKA)	24,567		24,567	
Food donation program	122,589		122,589	
Interest revenue	17,532		17,532	
Total nonoperating revenues	1,349,074	162,640	1,511,714	
Change in net position	(144,105)	(102,058)	(246,163)	65
Total net position-beginning of year, as reported	1,341,892	2,207,934	3,549,826	75,306
Cumulative effect of change in accounting principle		(332,584)	(332,584)	
Total net position-beginning of year, as restated		1,875,350	1,875,350	
Total net position-end of year	$ 1,197,787	$ 1,773,292	$ 2,971,079	$ 75,371

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

Manchester Township School District

Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2025

	Major Funds - Business Type Activities - Enterprise Funds: Food Service	Major Funds - Business Type Activities - Enterprise Funds: Regional Day School	Major Funds - Business Type Activities - Enterprise Funds: Totals	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	$ 589,979	$ 7,861,840	$ 8,451,819	$ 346,067
Payments to employees	(594,860)	(4,662,937)	(5,257,797)	(101,497)
Payments for employee benefits	(133,437)	(2,575,826)	(2,709,263)	(58,187)
Payments to suppliers	(1,185,662)	(2,229,882)	(3,415,544)	(176,988)
Payments for insurance		(118,064)	(118,064)	
Net cash (used in) provided by operating activities	(1,323,980)	(1,724,869)	(3,048,849)	9,395
Cash flows from noncapital financing activities				
Cash received from state and federal reimbursements	1,307,874	162,173	1,470,047	
Receipts and payments to other funds	(4,870)	(365,772)	(370,642)	
Interest income	17,532		17,532	
Net cash provided by (used in) noncapital financing activities	1,320,536	(203,599)	1,116,937	-
Cash flows from capital and related financing activities				
Purchases of capital assets - equipment	(540,762)	(33,839)	(574,601)	
Net cash (used in) capital and related financing activities	(540,762)	(33,839)	(574,601)	
Net increase in cash and cash equivalents	(544,206)	(1,962,307)	(2,506,513)	9,395
Cash and cash equivalents, beginning of year	775,289	4,145,898	4,921,187	6,430
Cash and cash equivalents, end of year	$ 231,083	$ 2,183,591	$ 2,414,674	$ 15,825
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	$ (1,493,179)	$ (264,698)	$ (1,757,877)	$ 65
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	123,756	9,814	133,570	
Change in assets, deferred outflows, liabilities and deferred inflows:				
Decrease(Increase) in accounts receivable	18,763	(1,383,573)	(1,364,810)	9,330
Decrease in inventory	20,863		20,863	
(Increase) in deferred outflows of resources		(116,179)	(116,179)	
(Decrease) in deferred inflows of resources		(31,796)	(31,796)	
(Decrease) in net pension liability		(7,016)	(7,016)	
Increase in compensated absences		72,265	72,265	
Increase(Decrease) in accounts payable	6,449	(3,686)	2,763	
(Decrease) in unearned revenue	(632)		(632)	
Net cash (used in) provided by operating activities	$ (1,323,980)	$ (1,724,869)	$ (3,048,849)	$ 9,395

Noncash noncapital related financing activities:
The District received $110,183 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2025.

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

1. Summary of Significant Accounting Policies

The financial statements of the Manchester Township School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Manchester Township School District in Manchester Township, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which

1. Summary of Significant Accounting Policies (continued)

normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education ("DOE") requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, used in the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A one year availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, net pension liabilities and other post-employment benefit obligations are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and lease acquisitions are reported as other financing sources.

1. Summary of Significant Accounting Policies (continued)

Property taxes, interest, and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund. Since the District's unemployment and payroll agency funds do not meet the criteria defined by the Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*", the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities beginning with the year ended June 30, 2020.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations. Since the District's scholarship and student activity funds do not meet the criteria defined by the Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*", the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions and student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities beginning with the year ended June 30, 2020.

1. Summary of Significant Accounting Policies (continued)

notes or serial bonds and state aid that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Food Service Enterprise Fund: The food service fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Regional Day School Enterprise Fund: The regional day school fund accounts for all revenues and expenses in the operation of the special education school similar to a private business enterprise.

The District reports the following nonmajor proprietary funds:

Internal Service Fund (SAT Preparation): The SAT preparation fund was created to account for activity related to the District’s Scholastic Aptitude Test, “SAT” preparation course offered to students preparing to take the SAT Exam for collegiate placement after high school.

Internal Service Fund (Transportation): Internal service funds are used to account for the net cost of services provided on a user charge basis and are designed to break-even over time.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food and tuition. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

1. Summary of Significant Accounting Policies (continued)

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

In accordance with P.L. 2011, which became effective January 17, 2012, the District elected to move the annual school board election from April to the date of the annual November general election, thereby eliminating the vote on the annual based budget. Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Ocean County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred pursuant to N.J.A.C. 6A:23. The overexpenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey and the federal government as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2025 and were not significant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Open encumbrances at year-end are reappropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. With the District's implementation of GASB Statement No. 84, federal, state, and local grants remain on the budgetary basis and student activities and scholarships recognize revenue upon cash received and expenditures incurred when paid.

1. Summary of Significant Accounting Policies (continued)

E. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2025, the District had inventories in the Food Service Enterprise fund of $28,470, of which $7,233 of which represent unused Food Donation Program commodities, which are also reported as unearned revenue.

G. Capital Assets

Capital assets are tangible and intangible assets, which include land, construction in progress, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $2,000, an estimated useful life in excess of two years and when considered collectively a significant district-wide purchase. Such assets (except intangible right-to-use lease assets, which is discussed in note 5 long-term liabilities) are recorded at historical cost. Donated capital assets are valued at their estimated acquisition value on the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Land is not depreciated. The other tangible and intangible property, plant, equipment and right-to-use leased assets of the District are depreciated using the straight-line method over the following estimated useful lives.

	Years
Machinery and equipment	2-20
Buildings	40
Building improvements	20
Vehicles	5-10
Right-to-use-leased equipment	3-5

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences

The liability for compensated absences represents the vacation and sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee's rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide and enterprise funds financial statements as current and long-term liabilities. In the governmental fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, *"Compensated Absences."*

The liability for compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments. The liability for compensated absences of the enterprise fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, a liability existed for compensated absences in the government-wide financial statements in the amount of $5,752,125 and $404,849 existed for compensated absences in the enterprise fund types. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101 *"Compensated Absences".*

I. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate

1. Summary of Significant Accounting Policies (continued)

section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

L. Leases

For the year ended June 30, 2022, the financial statements included the adoption of GASB Statement No. 87, "*Leases*". The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $30,000 or more.

At commencement of a lease, the District initially measures the lease liability at the value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life.

1. Summary of Significant Accounting Policies (continued)

Key estimates and judgments related to leases include:

Discount Rate	The District uses the interest rate charged by the lessor as indicated in the agreement. When the interest rate charged by the lessor is not provided the District generally uses its estimated incremental borrowing rate as the rate for leases.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the District is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

M. Deferred Loss on Defeasance of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2025, the District has recorded an unamortized balance of $239,925 as a deferred outflow of resources and recognized amortization expense of $87,990.

N. Net Position

Net Position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities in the government-wide financial statements. Net position net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. Fund Balances

GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" ("GASB 54"), established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB Statement No. 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Summary of Significant Accounting Policies (continued)

1) Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
4) Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the $3,069,165 of fund balances in the General Fund, $132,700 has been classified as restricted fund balance designated for subsequent years expenditures – prior year excess surplus, $1,904,238 has been classified as restricted for maintenance reserve and capital reserve in the amounts of $40,483 and $1,863,755, respectively, $74,646 is assigned to other purposes, $656,834 is classified as unassigned, $300,747 has been classified as restricted for unemployment compensation. The restricted fund balance in the special revenue fund represents reserves for student activities and scholarships in the amounts of $297,630 and $97,221, respectively. The unassigned special revenue fund deficit in the amount of $339,570 represents the preschool aid accounts receivable at June 30, 2025.

1. Summary of Significant Accounting Policies (continued)

P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources, and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions and retiree health costs in the government-wide financial statements have been decreased by $(3,318,688) to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

R. Regional Day School

The Regional Day School, located in Jackson, New Jersey, is operated by the District under contract with the New Jersey State Department of Education. The Regional Day School delivers educational services to approximately one hundred students who are severely emotionally disturbed or multiple handicapped.

The funding for the Regional Day School is provided by tuition payments from the local districts who send their children to the Regional Day School. The District assumes the financial control and business management supervision of the School, as well as oversees the total educational program of the School. The School has its own principal and instructional staff as well as support staff that are employees of the District. The School building is owned by the State of New Jersey. All expenses for the Regional Day School are funded through tuition and not through the local tax rate of Manchester Township.

The Regional Day School budget is developed annually in conjunction with the School principal and officials from the District administration. Local school districts who anticipate sending children to the Regional Day School for the following school year are notified in advance of the anticipated tuition costs so

1. Summary of Significant Accounting Policies (continued)

that their own budgets may be properly constructed to reflect the tuition costs. The Regional Day School services districts principally in Monmouth, Ocean, and Mercer Counties. The contract with the District and the State Department of Education is effective for the period of five years beginning July 1, 2022 and ending June 30, 2027.

S. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 was $132,700. which has been appropriated in the 2025/2026 budget.

T. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school districts. Although the Township of Manchester has four active tax abatements/agreements as of June 30, 2025, none were deemed material to the Manchester Township School District and therefore further disclosure is not required.

U. Recently Issued Accounting Pronouncements

Adopted – The District adopted GASB Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. See Note 19.

Adopted – The District adopted GASB Statement No. 101, "*Compensated Absences*". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by

1. Summary of Significant Accounting Policies (continued)

aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. See Note 19.

Adopted - The GASB issued Statement No. 102 “*Certain Risk Disclosures*” in December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority.

Concentrations and constraints may limit a government’s ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

Recent - The GASB issued Statement No. 103 “*Financial Reporting Model Improvements*” in April 2024. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Recent - The GASB issued Statement No. 104 “*Disclosure of Certain Capital Assets*” in September 2024. This objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

V. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2025 through December 03, 2025, the date that the financial statements were available to be issued and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, net of unamortized premiums and discounts, leases and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.

The details of this $16,605,468 difference are as follows:

Bonds payable	$	8,285,000
Premium on bonds		483,830
Financed purchases payable		1,855,265
Obligations under leases		242,037
Discount on bonds		(12,789)
Compensated absences		5,752,125
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	$	16,605,468

3. Cash and Equivalents

Cash and equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *"Fair Value Measurement and Application".* The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection

Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

3. Cash and Equivalents (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Operating cash accounts are held in the District’s name by one institution. At June 30, 2025 the carrying amount of the District’s deposits was $4,615,689 and the bank balance was $7,000,446.

Of the bank balance, $250,000 of the District’s cash deposits on June 30, 2024 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of $3,561,927. $3,188,519 held in the District’s payroll and agency accounts are not covered by GUDPA.

3. Cash and Equivalents (continued)

Pursuant to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

a. Bonds and other obligations of the United States or obligations guaranteed by the United States.

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.

c. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA.

As of June 30, 2025, the District had no investments.

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF"). The NJCMF is considered a cash equivalent and is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District's shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2025, the District's balance was $1,382,353. All investments in the NJCMF are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of

3. Cash and Equivalents (continued)

Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

Custodial Credit Risk: Pursuant to GASB Statement No. 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's investments in the NJCMF are less than one year and therefore are considered cash equivalents.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2025:

	Beginning Balance	Increases	Ending Balance
Governmental activities:			
Capital assets, not being depreciated:			
Land	$ 1,220,818		$ 1,220,818
Total capital assets, not being depreciated	1,220,818		1,220,818
Capital assets, being depreciated and amortized:			
Buildings and building improvements	83,225,711	$ 478,825	83,704,536
Machinery, equipment and vehicles	26,911,738	865,853	27,777,591
Right-to-use leased equipment	225,775	251,952	477,727
Total capital assets being depreciated and amortized	110,363,224	1,596,630	111,959,854
Less accumulated depreciation and amortization for:			
Buildings and building improvements	45,668,722	1,656,198	47,324,920
Machinery, equipment and vehicles	22,249,772	1,915,610	24,165,382
Right-to-use leased equipment	131,482	93,889	225,371
Total accumulated depreciation and amortization	68,049,976	3,665,697	71,715,673
Total capital assets, being depreciated and amortized, net	42,313,248	(2,069,067)	40,244,181
Governmental activities capital assets, net	$ 43,534,066	$ (2,069,067)	$ 41,464,999

4. Capital Assets (continued)

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Instruction	$	1,478,775
General administration		2,186,922
Total depreciation and amortization expense - governmental activities	$	3,665,697

The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2025:

	Beginning Balance	Increases	Ending Balance
Business-type Activities:			
Capital assets, being depreciated:			
Equipment and vehicles	$ 3,818,082	$ 574,600	$ 4,392,682
Less accumulated depreciation for:			
Equipment and vehicles	3,296,910	133,570	3,430,480
Total business-type activities capital assets, net	$ 521,172	$ 441,030	$ 962,202

As noted in Note 1, the capital assets of the Regional Day School enterprise fund are the property of the State of New Jersey and not the District.

5. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of $30,851,581 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	$	41,464,999
Bonds payable (used to build or acquire capital assets)		(8,285,000)
Unamortized premium costs on bonds		(483,830)
Unamortized discount costs on bonds		12,789
Unamortized loss on defeasance of debt		239,925
Financed purchases payable		(1,855,265)
Lease liability		(242,037)
Total net investment in capital assets	$	30,851,581

6. Long-Term Liabilities

During the fiscal year ended June 30, 2025, the following changes occurred in long-term liabilities:

	Beginning Balance	Cumulative effect of change in accounting principle*	Balance restated as of July 1, 2024	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:							
Compensated absences	$ 3,962,931	$ 1,411,570	$ 5,374,501	$ 377,623		$ 5,752,124	$ 575,213
Bonds payable	10,490,000				$ 2,205,000	8,285,000	1,980,000
Premium on bonds	622,874				139,043	483,831	139,043
Discount on bonds	(17,438)				(4,649)	(12,789)	(4,649)
Financed purchases payable	2,104,470			292,000	541,205	1,855,265	449,170
Lease liability	72,233			251,952	82,148	242,037	57,219
Subtotal	17,235,070	1,411,570	5,374,501	921,575	2,962,747	16,605,468	3,195,996
Net pension liability	15,620,400				39,781	15,580,619	
Governmental activity long-term liabilities	$ 32,855,470	$ 1,411,570	$ 5,374,501	$ 921,575	$ 3,002,528	$ 32,186,087	$ 3,195,996
Business-type activities:							
Compensated absences		$ 332,584	$ 332,584	$ 72,265		$ 404,849	$ 40,485
Net pension liability	$ 2,129,895				$ 7,016	2,122,879	
	$ 2,129,895	$ 332,584	$ 332,584	$ 72,265	$ 7,016	$ 2,527,728	$ 40,485

*Restated for change in accounting principle
The change in compensated absences is reported as a net change.

The District expects to liquidate the balance in compensated absences and obligations under all leases with payments made from the District's general fund. Bonds payable will be liquidated with payments from the debt service fund. The net pension liability will be liquidated with payments from both the general fund and the enterprise fund - regional day school.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

In March 2012, the District issued $13,525,000 of refunding bonds to provide resources to refund a portion of the District's Series 2004 bonds. The bonds are due to mature annually through the 2028 fiscal year at remaining principal payments and an annual fixed interest rates ranging from $820,000 to $850,000 and 3.00% to 3.25%, respectively as of June 30, 2025. The bonds are direct obligations of the District for which the full faith and credit of the District is pledged.

In December 2014, the District issued $9,605,000 of School District Bonds in order to fund various facility upgrades within the school district. The bonds are due to mature annually through the 2030

6. Long-Term Liabilities (continued)

fiscal year at remaining principal payments and annual interest rates ranging from $675,000 to $750,000 at an annual fixed interest rate of 3.00% as of June 30, 2025.

In January 2020, the District issued $4,680,000 of refunding bonds to provide resources to refund all of the callable principal of the District's Series 2011 Bonds. The 2020 refunding bonds are due to mature annually through the 2030 fiscal year at remaining principal payments ranging from $445,000 to $455,000 at an annual fixed interest rate of 4.00% as of June 30, 2025.

Principal and interest due on all bonds outstanding are as follows:

	Principal
Year ending June 30:	
2026	$ 1,980,000
2027	1,970,000
2028	1,970,000
2029	1,170,000
2030	1,195,000
	$ 8,285,000

See page 104 for additional information regarding the District's bonds payable.

Leases Payable

Governmental Funds

The District has the following leases outstanding for various purposes (School buses, computers, office equipment and copiers) with rates ranging from 0.00% to 5.00%. The District recognizes a lease liability and the related right-to-use asset. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability,

On June 15, 2020, Manchester Township School District entered into a 60 month lease as lessee for four Savin copier machines. An initial lease liability was recorded in the amount of $216,853. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of the fixed payments and a purchase option price of $175,220 that the District is reasonably certain to exercise.

6. Long-Term Liabilities (continued)

On September 27, 2023 Manchester Township School District entered into a 60 month lease as lessee for one Ricoh IM2500 copier. An initial lease liability was recorded in the amount of $8,922. The equipment's estimated useful life is 60 months as of the contract commencement. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of the fixed payments and a purchase option price of $7,752 that the District is reasonably certain to exercise.

On July 12, 2024 Manchester Township School District entered into a 60 month lease as lessee for Ricoh copiers. An initial lease liability was recorded In the amount of $251,952. The equipment's estimated useful life is 60 months as of the contract commencement. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of the fixed payments and a purchase option price of $224,309 that the District is reasonably certain to exercise.

The value of the right to use asset as of June 30, 2025 of $477,727 with accumulated amortization of $235,690 is included with equipment on the table found below.

The following is a summary of obligations under leases principal and interest payments to maturity:

		Principal
Year ending June 30:		
2026	$	57,219
2027		50,825
2028		53,961
2029		56,050
2030		23,982
	$	242,037

The following is a summary of financed purchased liability principal and interest payments to maturity:

		Principal
Year ending June 30:		
2026	$	449,169
2027		396,233
2028		325,349
2029		257,747
2030		208,945
2031		217,822
	$	1,855,265

6. Long-Term Liabilities (continued)

See schedule I-2 for additional information regarding the District's leases. The assets acquired through leases at June 30, 2025 are as follows:

		Governmental Activities
Asset:		
Machinery, equipment and vehicles	$	6,334,118
Right-to-use-asset (leased equipment)		477,727
Less accumulated amortization		(225,371)
Less accumulated depreciation		(3,731,476)
Total	$	2,854,998

7. Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public-school employees in the State. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members' accounts.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching the age of 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tiers 1 and 2 members with 25 years or more of service credit before reaching age 60, Tiers 3 and 4 members with 25 years or more of service credit before

7. Pension Plans (continued)

age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent each month when a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy, vesting and benefit provisions are set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tiers 1 and 2 members with 25 years or more of service credit before reaching age 60, Tiers 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to 60 if the have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by

7. Pension Plans (continued)

State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' pensionable compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2025, the State of New Jersey contributed $12,917,325 to the TPAF for on-behalf pension, post-retirement medical benefits, and long-term disability insurance contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $2,102,005 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2025, 2024 and 2023 were $1,853,905, $1,772,865, and $1,637,887, respectively. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions (continued)

Public Employees' Retirement System (PERS)

At June 30, 2025, the District reported a liability of $17,703,498 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.1302873028 percent, which was a decrease of 0.0077394094 from its proportion measured as of June 30, 2023.

7. Pension Plans (continued)

For the year ended June 30, 2025, the District recognized full accrual pension benefit of $809,951 in the government-wide financial statements. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 21,993	$ 201,425
Net difference between projected and actual earnings on pension plan investments		820,863
Changes in proportion	1,621,438	21,312
Difference between expected and actual experience	354,634	47,132
District contributions subsequent to the measurement date	1,853,905	
	$ 3,851,970	$ 1,090,732

$1,853,905 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2025.

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:	
2026	$ (178,537)
2027	944,294
2028	56,843
2029	60,597
2030	24,136
	$ 907,333

7. Pension Plans (continued)

Additional Information

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75 - 6.55% based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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, 2024) 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

7. Pension Plans (continued)

of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 non-employer 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 District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the District's

7. Pension Plans (continued)

proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 23,523,596	$ 17,703,498	$ 12,750,626

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.

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

Deferred outflows of resources	$ 1,079,580,780
Deferred inflows of resources	1,611,322,898
Net pension liability	13,702,423,985

Collective pension benefit for the Local Group for the measurement period ended June 30, 2024 is $79,181,803.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020 and 2019 is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years, respectively.

Special Funding Situation

A special funding situation exists for certain local participating employers in the PERS. The State of New Jersey, a non-employer contributing entity, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2024 State special funding situation net pension liability amount of $114.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133.

7. Pension Plans (continued)

Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there was no net pension liability associated with this special funding situation 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. The State special funding situation pension expense of $53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense and related revenue pertaining to the special funding situation is $51,151.

Special Funding Situation – Teachers' Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2024 was $109,314,880. The District's proportionate share was $0. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2211727755 percent, which was an increase of 0.0004169529 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of $9,598,637 for contributions incurred by the State.

7. Pension Plans (continued)

Actuarial assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 5.65% based on years of service
Investment rate of return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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

7. Pension Plans (continued)

arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 determining the total pension liability.

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

7. Pension Plans (continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	$ 129,936,210	$ 109,314,880	$ 91,947,822

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

Deferred outflows of resources	$ 1,176,934,477
Deferred inflows of resources	$ 10,530,833,639
Net pension liability	$ 49,425,106,602
District's Proportion	0.22117277755 %

Collective pension benefit of the Local Group for the plan for the measurement period ended June 30, 2024 is $148,167,647.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 is 7.84, 7.93, 7.83, 7.93, 8.04, 8.29, 8.29 and 8.23 years, respectively.

8. Post-Retirement Benefits

General Information about the OPEB Plan

State Health Benefit State Retired Employee Plan

The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*." The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug and

8. Post-Retirement Benefits (continued)

Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. Accordingly, per N.J.S.A. 52:14-17-32.f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 or more years of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. 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.

In accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits was $88.9 billion, a decrease of $12.7 billion, or 12.5 percent from the $101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: http://www.state.nj.us/treasury/pensions/ financialreports.shtml.

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2024
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	372,741

8. Post-Retirement Benefits (continued)

Actuarial assumptions and other inputs

The total non-employer OPEB liability of $59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024 and included in the June 30, 2024 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:		
	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table 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 TPAF 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 used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. 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.

8. Post-Retirement Benefits (continued)

Health Care Trend Assumptions

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 is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Changes in Total Non-employer OPEB Liability

Below represents the changes in the District's total Non-Employer OPEB liability for the year ended June 30, 2024:

	District Allocation
Balance at June 30, 2023	$ 146,660,386
Increased by:	
Service cost	5,783,821
Interest cost	5,587,790
Changes of assumptions	12,699,607
Member contributions	146,123
Differences between expected and actual experience	3,140,422
	174,018,149
Decreased by:	
Differences between expected and actual experience	
Benefit payments	4,267,485
	4,267,485
Balance at June 30, 2024	$ 169,750,664

8. Post-Retirement Benefits (continued)

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a discount rate as disclosed above as well as what the total

non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	At Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	$ 198,814,383	$ 169,750,664	$ 146,377,402

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer 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 healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	$ 141,403,539	$ 169,750,664	$ 206,574,665

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of $2,567,270 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2024 are as follows:

Deferred outflows of resources	$ 18,640,445,786
Deferred inflows of resources	$ 25,058,850,175
Collective OPEB expense	$ 1,999,742,665
District's Proportion	0.28%

8. Post-Retirement Benefits (continued)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

9. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2025 amounted to $448,693 analyzed as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 448,693	
Special Revenue Fund		$ 448,693
	$ 448,693	$ 448,693

The interfund payable in the Special Revenue Fund in the amount of $448,693 represents short-term loans from the General Fund at June 30, 2025.

10. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is involved in several claims and lawsuits incidental to its operations. These matters include, but are not limited to, employment-related actions, administrative proceedings, and other potential claims. Management, in consultation with legal counsel, evaluates these matters on an ongoing basis to assess the likelihood of an unfavorable outcome and whether any potential loss can be reasonably estimated.

11. Contingent Liabilities (continued)

When both the likelihood of loss is determined to be probable and the amount can be reasonably estimated, the District records an appropriate provision.

Although the District does not anticipate that current financial resources will be required to settle any such matters, an accrual has been recorded in the government-wide financial statements' accounts payable balance to reflect any estimated portion of potential litigation claims that may not be covered by insurance.

12. Risk Management

The District 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.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is typically billed quarterly for amounts due to the State.

13. Deferred Compensation Plans

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by Citistreet, permits participants to defer a portion of their salary until future years. Amounts unearned under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

14. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution in the amount of $350,000 in June 2014 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	$	588,033
Deposit:		
Interest		250
		588,283
Withdrawals:		
Approved by June board resolutions		547,800
Ending Balance, June 30, 2025	$	40,483

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2025.

15. Capital Reserve Account

A capital reserve account was established by the District in June 2015, by way of a Board resolution, and issued for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years in the amount of $450,000. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning balance, July 1, 2024	$	2,365,800
Deposit:		
Interest		750
		2,366,550
Withdrawals:		
Approved by June board resolution		502,795
Ending Balance, June 30, 2025	$	1,863,755

The June 30, 2025 LRFP balance of local support costs of uncompleted projects exceeds the amount set aside in capital reserve.

16. Unemployment Reserve Account

An unemployment reserve account was established by the District by transferring $286,567 to an unemployment reserve from the unemployment fund in 2021 to fund future unemployment claims billed by the state. This reserve was established in the General Fund in 2021 resulting from the implementation of GASB Statement No. 84, which required the District to record these funds as governmental activities. The activity of the unemployment reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

16. Unemployment Reserve Account (continued)

Beginning balance, July 1, 2024	$	295,247
Deposit:		
Interest		5,500
Ending Balance, June 30, 2025	$	300,747

17. Transfers – Reconciliation

The following presents a reconciliation of transfers during the 2025 fiscal year:

	In	Out
Special Revenue Fund	$ 679,940	
General Fund		$ 679,940
	$ 679,940	$ 679,940

The transfer from the general fund to the special revenue fund represents the preschool inclusion children charged to the special revenue fund.

18. Commitments

The District has contractual commitments at June 30, 2025 to various vendors, which are recorded in the general fund and special revenue fund in the amount of $74,646 and $2,863, respectively.

19. Change in Accounting Principle and Restatement of Net Position

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, "*Compensated Absences*"**.** This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid.

In accordance with GASB Statement No. 100, "*Accounting Changes and Error Corrections*", the provisions of GASB Statement No. 101 were adopted effective July 1, 2024. As a result, the compensated absences liability was restated as of June 30, 2024, and the cumulative effect of the change of ($1,411,570) and ($332,584) was recognized in the 2024 change in net position of General Fund and the Regional Day School Enterprise Fund, respectively.

Required Supplementary Information – Part II

Schedules Related to Accounting and Reporting for Pensions and OPEBs (GASB No. 68 and GASB No. 75)

Manchester Township School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information
Last Ten Fiscal Years

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
District's proportion of the net pension liability (asset) - Local Group	0.130287303%	0.122547893%	0.118187331%	0.116878835%	0.114043558%	0.1170960866%	0.1145648379%	0.1103678221%	0.1116781800%	0.1036174300%
District's proportionate share of the net pension liability (asset)	$ 17,703,498	$ 17,750,295	$ 17,836,095	$ 13,846,050	$ 18,597,522	$ 21,098,938	$ 22,557,246	$ 25,691,865	$ 33,075,874	$ 23,260,037
District's covered-employee payroll	$ 11,041,251	$ 10,806,437	$ 9,897,936	$ 9,022,168	$ 8,592,199	$ 8,165,284	$ 8,219,717	$ 7,789,867	$ 7,371,084	$ 7,435,341
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	160.34%	164.26%	180.20%	153.47%	216.45%	258.40%	274.43%	329.81%	448.72%	312.83%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

N/A - Not Available

See Note to Required Supplementary Information

Manchester Township School District
Schedule of District Contributions
Public Employees' Retirement System
Required Supplementary Information
Last Ten Fiscal Years

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
Contractually required contribution	$ 1,853,905	$ 1,772,865	$ 1,637,887	$ 1,490,399	$ 1,368,787	$ 1,247,581	$ 1,139,006	$ 1,022,440	$ 992,133	$ 890,832
Contributions in relation to the contractually required contribution	(1,853,905)	(1,772,865)	(1,637,887)	(1,490,399)	(1,368,787)	(1,247,581)	(1,139,006)	(1,022,440)	(992,133)	(890,832)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 10,806,437	$ 9,897,936	$ 9,022,168	$ 9,022,168	$ 8,592,199	$ 8,374,916	$ 8,165,284	$ 8,219,717	$ 7,789,867	$ 7,371,084
Contributions as a percentage of covered-employee payroll	17.16%	17.91%	18.15%	16.52%	15.93%	14.90%	13.95%	12.44%	12.74%	12.09%

See Note to Required Supplementary Information

Manchester Township School District
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
Teachers' Pension and Annuity Fund
Required Supplementary Information
Last Ten Fiscal Years

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.2211727755%	0.2207558226%	0.2174933473%	0.2202291927%	0.2228911690%	0.2273149298%	0.2217197462%	0.2283053466%	0.2331988423%	0.2337903127%
District's proportionate share of the net pension liability (asset)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability (asset) associated with the District	$ 109,314,880	$ 112,657,589	$ 112,214,422	$ 105,875,600	$ 146,771,153	$ 139,505,318	$ 141,053,340	$ 153,931,697	$ 183,449,057	$ 147,765,461
Total proportionate share of the net pension liability (asset) associated with the District	$ 112,214,422	$ 112,214,422	$ 112,214,422	$ 105,875,600	$ 146,771,153	$ 139,505,318	$ 141,053,340	$ 153,931,697	$ 183,449,057	$ 147,765,461
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

See Note to Required Supplementary Information

Manchester Township School District
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District and
Changes in the OPEB Liability and Related Ratios

State Health Benefit Local Education Retired Employees Plan
Required Supplementary Information
Last Eight Fiscal Years*

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
State's proportion of the OPEB Liability associated with the District -	0.28%	0.28%	0.28%	0.28%	0.27%	0.28%	0.28%	0.28%
District's proportionate share of the OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the OPEB liability associated with the District	$ 169,750,664	$ 146,660,386	$ 141,380,517	$ 167,355,050	$ 190,735,866	$ 116,413,621	$ 130,117,964	$ 151,193,397
Total proportionate share of the OPEB liability	-	-	-	-	-	-	-	-
associated with the District	$ 169,750,664	$ 146,660,386	$ 141,380,517	$ 167,355,050	$ 190,735,866	$ 116,413,621	$ 130,117,964	$ 151,193,397
Beginning Balance	$ 146,660,386	$ 141,380,517	$ 167,355,050	$ 190,735,866	$ 116,413,621	$ 130,117,964	$ 151,193,397	$ 163,661,392
Increased by:								
Service cost	5,783,821	5,648,067	7,147,954	8,319,009	4,641,582	4,604,429	5,187,247	$ 6,248,357
Interest cost	5,587,790	5,165,200	3,746,740	4,341,366	4,181,068	5,147,295	5,538,829	4,794,700
Changes of assumptions	12,699,607	295,607		165,108	34,840,888	1,735,737		
Differences between expected and actual experience	3,140,422		4,649,562		33,878,615			
Member Contributions	146,123	132,366	119,059	110,987	100,646	105,930	120,250	128,951
	174,018,149	152,621,757	183,018,365	203,672,336	194,056,420	141,711,355	162,039,723	174,833,400
Decreased by:								
Differences between expected and actual experiences		1,935,014		32,719,376		21,724,183	13,510,763	
Changes of benefit terms				178,129				
Changes of assumptions			37,926,592				14,931,688	20,138,043
Gross benefit payments	4,267,485	4,026,357	3,711,256	3,419,781	3,320,554	3,573,551	3,479,308	3,501,960
	4,267,485	5,961,371	41,637,848	36,317,286	3,320,554	25,297,734	31,921,759	23,640,003
Ending Balance	$ 169,750,664	$ 146,660,386	$ 141,380,517	$ 167,355,050	$ 190,735,866	$ 116,413,621	$ 130,117,964	$ 151,193,397
Covered by employee payroll	$ 39,755,359	$ 39,683,462	$ 11,041,251	$ 34,114,009	$ 33,760,253	$ 32,895,329	$ 31,860,299	$ 32,227,033
Total OPEB liability as a percentage of covered employee payroll.	426.99%	369.58%	1280.48%	490.58%	564.97%	353.89%	408.40%	469.15%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

See Note to Required Supplementary Information

Manchester Township School District

Notes to Required Supplementary Information
Year Ended June 30, 2025

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

There were none.

2. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

There were none.

3. NONEMPLOYER OPEB LIABILITY FOR THE STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES' PLAN

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

Required Supplementary Information – Part III

Budgetary Comparison Schedule
(Budgetary Basis)

Manchester Township School District
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to
Revenues					
Local sources:					
Local tax levy	$ 52,977,550		$ 52,977,550	$ 52,977,550	
Tuition	2,345,480		2,345,480	2,349,880	$ 4,400
Interest income				252,105	252,105
Interest earned on maintenance reserve funds	250		250	250	
Interest earned on capital reserve funds	750		750	750	
Miscellaneous	630,000	$ (201,751)	428,249	133,981	(294,268)
Total revenues - local sources	55,954,030	(201,751)	55,752,279	55,714,516	(37,763)
State sources:					
Special education categorical aid	2,640,657		2,640,657	2,640,657	
Security aid	573,735		573,735	573,735	
Adjustment aid	783,197		783,197	783,197	
Categorical transportation aid	1,989,096		1,989,096	1,989,096	
Extraordinary aid	1,700,000		1,700,000	1,462,703	(237,297)
State reimbursement for menstrual products				3,591	3,591
On-behalf TPAF pension contributions (non-budgeted)				9,992,866	9,992,866
On-behalf TPAF post-retirement medical contributions (non-budgeted)				2,919,924	2,919,924
On-behalf TPAF long-term disability insurance contributions (non-budgeted)				4,535	4,535
Reimbursed TPAF social security contributions (non-budgeted)				1,939,365	1,939,365
Other state aid- non public transportation		315,000	315,000	304,498	(10,502)
Total - state sources	7,686,685	315,000	8,001,685	22,614,167	14,612,482
Federal sources:					
On-behalf federal reimbursed unemployment benefits (non-budgeted)					
Medical assistance program	121,376		121,376	31,759	(89,617)
Total - federal sources	121,376		121,376	31,759	(89,617)
Total revenues	63,762,091	113,249	63,875,340	78,360,442	14,485,102
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	564,132	3,770	567,902	566,289	1,613
Grades 1-5	5,267,529	202,647	5,470,176	5,458,961	11,215
Grades 6-8	3,620,886	13,479	3,634,365	3,632,637	1,728
Grades 9-12	5,543,789	144,142	5,687,931	5,687,407	524
	14,996,336	364,038	15,360,374	15,345,294	15,080
Home instruction:					
Salaries of teachers	59,000	13,164	72,164	71,362	802
Purchased professional educational services	25,000	13,161	38,161	37,561	600
Other purchased services		100	100	36	64
	84,000	26,425	110,425	108,959	1,466
Undistributed instruction-regular programs:					
Unused vacation payment to terminated/retired staff		99,992	99,992	99,518	474
Purchased professional educational services		41,049	41,049	41,048	1
Other purchased services	10,500	(570)	9,930	7,218	2,712
General supplies	380,801	(42,081)	338,720	316,204	22,516
Textbooks	118,973	(48,718)	70,255	65,053	5,202
Other objects	122,260	(21,682)	100,578	89,131	11,447
	632,534	27,990	660,524	618,172	42,352
Total instruction - regular programs	15,712,870	418,453	16,131,323	16,072,425	58,898

Manchester Township School District
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - part-time:					
Salaries of teachers		$ 221,008	$ 221,008	$ 220,433	$ 575
Other salaries for instruction		241,863	241,863	241,070	793
General supplies		800	800	182	618
Other objects		1,000	1,000	14	986
Total preschool disabilities - part-time		464,671	464,671	461,699	2,972
Learning and/or language disabilities:					
Salaries of teachers	$ 691,952	33,609	725,561	724,982	579
Other salaries for instruction	2,052,269	(182,719)	1,869,550	1,869,550	
Unused vacation payment to terminated/retired staff		6,806	6,806	6,806	
Purchased professional services	5,300	(5,300)			
General supplies		5,781	5,781	4,176	1,605
Textbooks	1,100		1,100	600	500
Total learning and/or language disabilities	2,750,621	(141,823)	2,608,798	2,606,114	2,684
Emotional regulation impairment:					
Salaries of teachers	211,041	(9,545)	201,496	201,252	244
Other salaries for instruction	240,987	(47,910)	193,077	192,576	501
General supplies	2,500	(2,000)	500	459	41
Total emotional regulation impairment	454,528	(59,455)	395,073	394,287	786
Multiple disabilities:					
Salaries of teachers	252,752	(1,390)	251,362	251,062	300
Other salaries for instruction	147,185	(21,000)	126,185	125,922	263
General supplies	3,000		3,000	2,297	703
Total multiple disabilities	402,937	(22,390)	380,547	379,281	1,266
Autism:					
Salaries of teachers	226,003	71,067	297,070	296,230	840
Other salaries for instruction	245,152	(8,525)	236,627	236,575	52
General supplies	6,000	(4,600)	1,400	816	584
Total autism	477,155	57,942	535,097	533,621	1,476
Resource room/center:					
Salaries of teachers	3,415,673	(132,160)	3,283,513	3,283,510	3
General supplies	10,200		10,200	7,457	2,743
Textbooks	3,625		3,625	3,086	539
Total resource room/center	3,429,498	(132,160)	3,297,338	3,294,053	3,285
Total special education	7,514,739	166,785	7,681,524	7,669,055	12,469

Manchester Township School District
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Bilingual education:					
Salaries of teachers	$ 606,372	$ (69,966)	$ 536,406	$ 536,406	
Other salaries for Instruction	89,807	(24,067)	65,740	65,740	
Other purchased services	750	(750)			
General supplies		750	750		$ 750
Other objects	250		250		250
Total bilingual education	697,179	(94,033)	603,146	602,146	1,000
School - sponsored cocurricular activities:					
Salaries	207,118	4,166	211,284	208,850	2,434
Supplies and materials	4,000		4,000	2,500	1,500
Other objects	11,250		11,250	9,000	2,250
Total school - sponsored cocurricular activities	222,368	4,166	226,534	220,350	6,184
School - sponsored athletics - instruction:					
Salaries	583,893	280	584,173	583,853	320
Purchased services	13,000		13,000	12,300	700
Supplies and materials	82,000	(26,761)	55,239	51,017	4,222
Other objects	95,800	15,000	110,800	109,928	872
Total school - sponsored athletics - instruction	774,693	(11,481)	763,212	757,098	6,114
Other instructional programs:					
Salaries	299,740	(17,989)	281,751	280,031	1,720
Total other instructional programs	299,740	(17,989)	281,751	280,031	1,720
Total instruction	25,221,589	465,901	25,687,490	25,601,105	86,385

Manchester Township School District
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-regular	$ 25,000	$ 78,909	$ 103,909	$ 103,746	$ 163
Tuition to other LEAs within the state-special	110,500	(102,000)	8,500	8,500	
Tuition to County Voc. school dist.- Regular	150,000	17,398	167,398	167,398	
Tuition to CSSD and regional day schools	843,930	315,011	1,158,941	1,158,641	300
Tuition to private school for the handicapped - within state	2,384,684	500,207	2,884,891	2,884,370	521
Tuition - state facilities	155,000	137,631	292,631	290,791	1,840
Tuition - other	32,200	686,436	718,636	718,633	3
Total undistributed instruction-tuition	3,701,314	1,633,592	5,334,906	5,332,079	2,827
Attendance and social work services:					
Salaries	39,332		39,332	39,332	
Other objects	22,000		22,000	22,000	
Total attendance and social work service	61,332		61,332	61,332	
Health services:					
Salaries	480,063	(7,560)	472,503	472,503	
Purchased professional and technical services	15,000	23,500	38,500	38,304	196
Supplies and materials	11,292	4,850	16,142	12,991	3,151
Supplies - menstrual products		3,591	3,591	3,591	
Total health services	506,355	24,381	530,736	527,389	3,347
Other support services - students - Speech,OT,PT, & related services:					
Salaries	616,579	(56,005)	560,574	560,189	385
Supplies and materials	3,250		3,250	760	2,490
Total other support services - students - related services	619,829	(56,005)	563,824	560,949	2,875
Other support services - students - extra services:					
Other salaries for instruction	30,000	3,465	33,465	33,463	2
Purchased professional educational services	10,500	(8,500)	2,000	1,286	714
Supplies and materials	3,725	(3,725)			
Other objects	5,500	(5,500)			
Total other support services - students - extra services	49,725	(14,260)	35,465	34,749	716

Manchester Township School District
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	$ 952,439	$ (27,881)	$ 924,558	$ 924,558	
Salaries of secretarial and clerical assts.	142,116		142,116	142,116	
Other objects	15,250		15,250	11,975	$ 3,275
Total guidance	1,109,805	(27,881)	1,081,924	1,078,649	3,275
Child study teams:					
Salaries of other professional staff	1,182,582	45,221	1,227,803	1,218,994	8,809
Salaries of secretarial and clerical assts.	168,799	(2,345)	166,454	166,454	
Unused vacation payment to terminated/retired staff		2,009	2,009	2,009	
Purchased professional - educational services	340,000	100,524	440,524	437,904	2,620
Other purchased services	7,500	5,600	13,100	12,742	358
Supplies and materials	7,000	(2,500)	4,500	3,690	
Other objects	42,484	7,016	49,500	47,831	1,669
Total child study teams	1,748,365	155,525	1,903,890	1,889,624	13,456
Improvement of instructional services:					
Salaries of supervisors of instruction	487,775	(92,866)	394,909	394,909	
Salaries of other professional staff	262,030	(36,530)	225,500	225,500	
Salaries of secretarial and clerical assts	101,592	(4,000)	97,592	97,592	
Unused vacation payment to terminated/retired staff		22,452	22,452	22,452	
Supplies and materials	20,000	10,000	30,000	18,582	11,418
Other objects	20,000	(2,500)	17,500	15,932	
Total improvement of instructional services	891,397	(103,444)	787,953	774,967	12,986
Educational media services/ school library:					
Salaries	258,360	(59,763)	198,597	198,597	
Supplies and materials	24,934	(11,047)	13,887	10,858	3,029
Total educational media services/ school library	283,294	(70,810)	212,484	209,455	3,029

Manchester Township School District

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Instructional staff training services:					
Salaries of other professional staff	$ 25,000	$ (4,624)	$ 20,376		
Other purchased services	750		750	$ 430	$ 320
Other objects	39,280	12,535	51,815	36,784	15,031
Total instructional staff training services	65,030	7,911	72,941	37,214	15,351
Support services-general administration:					
Salaries	219,335	(22,396)	196,939	196,839	100
Legal services	90,000	52,378	142,378	125,105	17,273
Audit fees	60,000		60,000	60,000	
Architectural/engineering services	15,000	(15,000)			
Other purchased professional services	10,500	(5,185)	5,315	4,630	685
Communications/telephone	36,200	(9,578)	26,622	23,550	3,072
BOE other purchased services	32,622	(1,499)	31,123	27,285	3,838
Other purchased services	68,000	(30,187)	37,813	37,813	
Miscellaneous expenditures	16,000	(8,500)	7,500	5,621	1,879
BOE membership dues and fees	27,000	1,000	28,000	27,974	26
Total support services general administration	574,657	(38,967)	535,690	508,817	26,873
Support services-school administration:					
Salaries of principals/ assistant principals	1,342,851	(130,473)	1,212,378	1,210,754	1,624
Salaries of secretarial and clerical assistants	855,858	(43,454)	812,404	808,396	4,008
Unused vacation payment to terminated/retired staff		102,998	102,998	102,998	
Total support services-school administration	2,198,709	(70,929)	2,127,780	2,122,148	5,632
Undistributed expenditures-central services:					
Salaries	531,965	(58,779)	473,186	472,507	679
Miscellaneous purchased services	10,000	(2,500)	7,500	7,297	203
Other objects	105,000	(23,846)	81,154	77,223	3,931
Total undistributed expenditures-central services	646,965	(85,125)	561,840	557,027	4,813
Undistributed expenditures-admin. info tech.:					
Salaries	358,348	(40,870)	317,478	316,834	644
Other purchased services	103,750	20,000	123,750	103,413	20,337
Supplies and materials	49,095	(2,499)	46,596	37,664	8,932
Other Objects	7,500	(7,500)			
Total undistributed expenditures-admin. info. technology	518,693	(30,869)	487,824	457,911	29,913
Required maintenance for school facilities:					
Salaries	175,490	(36,980)	138,510	137,919	591
Unused vacation payment to terminated/retired staff		3,213	3,213	3,213	
Cleaning, repair and maintenance services	513,391	25,463	538,854	521,378	17,476
General supplies	9,000	6,945	15,945	15,657	288
Interest deposit to maintenance reserve	250		250	250	
Total required maintenance for school facilities	698,131	(1,359)	696,772	678,417	18,355

Manchester Township School District
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original 87 Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Operations and maintenance of plant services:					
Custodial Services					
Salaries	$ 1,633,611	$ (131,008)	$ 1,502,603	$ 1,502,065	$ 538
Unused vacation payment to retirees		4,815	4,815	4,815	
Cleaning, repair and maintenance services	363528	(90,674)	272,854	263,379	9,475
Other purchased property services	162,700	(5,629)	157,071	155,008	2,063
Insurance	977,000	(159,490)	817,510	817,259	251
General supplies	147,480	(11,541)	135,939	131,142	4,797
Energy (Natural Gas)	194,000	50,243	244,243	244,243	
Energy (Electricity)	729,000	121,600	850,600	843,099	7,501
Energy (Oil)	18,000	2,261	20,261	20,261	
Other objects	103,440	(11,798)	91,642	84,365	7,277
Total custodial services	4,328,759	(231,221)	4,097,538	4,065,636	31,902
Care and upkeep of grounds:					
Salaries	253,447	(96,164)	157,283	155,604	1,679
Unused vacation payment to retirees		35,540	35,540	35,540	
General Supplies	51,275	8,800	60,075	57,752	2,323
Total care and upkeep of grounds	304,722	(51,824)	252,898	248,896	4,002
Security:					
Salaries	239,712	38,350	278,062	275,198	2,864
Purchased professional and technical services	13,500		13,500	13,010	490
Total security	253,212	38,350	291,562	288,208	3,354
Total operation and maintenance of plant services and required maintenance	5,584,824	(246,054)	5,338,770	5,281,157	57,613
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	1,719,253	40,766	1,760,019	1,758,266	1,753
Between home and school - special	422,668	(14,981)	407,687	405,470	2,217
Other than between home and school-vendors	494,740	47,957	542,697	542,513	184
Unused vacation payment to terminated/retired staff		5,360	5,360	5,360	
Lease purchase payments-buses	456,141		456,141	456,141	
Contracted services:					
Aid in lieu	667,800	188,377	856,177	856,177	
Special ed. vendors	1,675,000	(380,009)	1,294,991	1,293,244	1,747
Miscellaneous purchased services	54,000	(2,868)	51,132	46,652	4,480
General supplies	311,700	(34,894)	276,806	268,283	8,523
Transportation supplies	156,000	5,466	161,466	118,104	43,362
Miscellaneous expenditures	34,500	678	35,178	35,128	50
Total student transportation services	5,991,802	(144,148)	5,847,654	5,785,338	62,316
Unallocated benefits:					
Social security contributions	875,000	(59,247)	815,753	808,216	7,537
Other retirement contributions-PERS	1,275,000	(4,000)	1,271,000	1,270,865	135
Health benefits	10,689,531	(384,438)	10,305,093	10,288,120	16,973
Tuition reimbursement	70,000	6,646	76,646	71,767	4,879
Total unallocated benefits	12,909,531	(441,039)	12,468,492	12,438,968	29,524

Manchester Township School District
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
On-behalf TPAF pension contributions (non-budgeted)				$ 9,992,866	$ (9,992,866)
On-behalf TPAF post-retirement contributions (non-budgeted)				2,919,924	(2,919,924)
On-behalf TPAF long-term disability ins contributions (non-budgeted)				4,535	(4,535)
Reimbursed TPAF social security contributions (non-budgeted)				1,939,365	(1,939,365)
Total undistributed expenditures	$ 37,461,627	$ 491,878	$ 37,953,505	52,514,463	(14,560,958)
Total expenditures - current	62,683,216	957,779	63,640,995	78,115,568	(14,474,573)
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Support services - students-spec.	7,000	10,398	17,398	17,398	
Support service - central services		2,406	2,406	2,278	128
Non-instructional equipment		114,999	114,999	114,999	
Non-instructional services	107,314	78,569	185,883	158,506	27,377
Total equipment	114,314	206,372	320,686	293,181	27,505
Facilities acquisition and construction services:					
Assessment for debt service on SDA funding	165,633		165,633	165,633	
Land and improvements		579,624	579,624	579,501	123
Total facilities acquisition and construction services	165,633	579,624	745,257	745,134	123
Assets acquired under leases (non-budgeted)				543,952	(543,952)
				543,952	(543,952)
Interest deposit to capital reserve	750		750	750	
Total expenditures - capital outlay	280,697	785,996	1,066,693	1,583,017	(516,324)

Manchester Township School District

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Total expenditures	$ 62,963,913	$ 1,743,775	$ 64,707,688	$ 79,698,585	$ (14,990,897)
Excess(deficiency) of revenues over/(under) expenditures	798,178	(1,630,526)	(832,348)	(1,338,143)	(505,795)
Other financing sources:					
Transfers out - charter school	(550,000)	550,000			
Transfers out - special revenue fund	(679,140)	(800)	(679,940)	(679,940)	
Leases (non-budgeted)				543,952	543,952
Total other financing sources	(1,229,140)	549,200	(679,940)	(135,988)	543,952
(Deficiency) of revenues (under) expenditures and other financing sources	(430,962)	(1,081,326)	(1,512,288)	(1,474,131)	38,157
Fund balances, July 1	5,122,303		5,122,303	5,122,303	
Fund balances, June 30	$ 4,691,341	$ (1,081,326)	$ 3,610,015	$ 3,648,172	$ 38,157
Recapitulation of (deficiency) of revenues (under) expenditures					
Budgeted fund balance	$ (430,962)		$ (430,962)	$ (2,524,726)	$ 38,157
Withdrawal capital reserve		$ (478,000)	(478,000)	502,795	
Withdrawal maintenance reserve		(547,800)	(547,800)	547,800	
Adjustment for prior year encumbrances		(55,526)	(55,526)		
Total	$ (430,962)	$ (1,081,326)	$ (1,512,288)	$ (1,474,131)	$ 38,157

Recapitulation of fund balance:	
Restricted for:	
Designated for subsequent years expenditures - prior year excess surplus	$ 132,700
Unemployment liability reserve	300,747
Maintenance reserve	40,483
Capital reserve	1,863,755
Assigned to:	
Year end encumbrances	74,646
Unassigned fund balance	1,235,841
	3,648,172
Reconciliation to Governmental Funds Statements GAAP:	
Last two state aid payments not recognized on GAAP basis	(562,949)
Solar renewable energy credits (SREC) change in value	(16,058)
Fund balance per governmental Funds (GAAP)	$ 3,069,165

Manchester Township School District

Special Revenue Fund

Required Supplementary Information

Budgetary Comparison Schedule
(Budgetary Basis)

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	$ 1,429,408	$ 448,073	$ 1,877,481	$ 1,857,838	$ (19,643)
State sources	3,395,700	86,900	3,482,600	3,429,263	(53,337)
Local sources		468,297	468,297	581,790	113,493
Total revenues	4,825,108	1,003,270	5,828,378	5,868,891	40,513
Expenditures:					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	2,008,943	(318,746)	1,690,197	1,686,064	4,133
Other salaries for instruction		513,909	513,909	510,759	3,150
Tuition	762,035	94,432	856,467	856,467	
Purchased professional services	23,800	7,168	30,968	24,031	6,937
Supplies and materials	58,712	50,598	109,310	98,346	10,964
Other Objects	3,500	7,685	11,185	3,152	8,033
Total instruction	2,856,990	355,046	3,212,036	3,178,819	33,217
Support services:					
Salaries - professional staff	858,700	33,336	892,036	891,053	983
Personal services-employee benefits	1,467,145	133,849	1,600,994	1,597,315	3,679
Purchased professional services	159,208	2,988	162,196	150,167	12,029
Travel	2,500	4,564	7,064	6,888	176
General supplies	23,057	17,513	40,570	33,184	7,386
Cleaning, repair and maintenance	25,000	(139)	24,861	24,861	
Contract services - transportation	4,200		4,200	2,746	1,454
Other objects		11,932	11,932	11,932	
Scholarships awarded		2,000	2,000	12,500	(10,500)
Student activities		450,000	450,000	531,514	(81,514)
Total support services	2,539,810	656,043	3,195,853	3,262,160	(66,307)
Capital Outlay:					
Facilities acquisition and construction services:					
Instructional equipment	56,667	(7,019)	49,648	38,246	11,402
Non instructional equipment	50,781		50,781	43,627	7,154
Total capital outlay	107,448	(7,019)	100,429	81,873	18,556
Total expenditures	5,504,248	1,004,070	6,508,318	6,522,852	(14,534)
Other Financing Sources					
Transfer In	679,140	800	679,940	679,940	
Total other financing sources	679,140	800	679,940	679,940	
Excess of revenues over expenditures				25,979	25,979
Fund Balance, July 1				368,872	
Fund Balance, June 30				$ 394,851	
Recapitulation:					
Restricted:					
Scholarships				$ 97,221	
Student activities				297,630	
Total Fund Balance				394,851	

Note 1 - Not required to budget for these funds.

Reconciliation to Governmental Funds Statements GAAP:	
Last two state aid payments not recognized on GAAP basis	(339,570)
Fund balance per Governmental Funds (GAAP) (B-1)	$ 55,281

Note to Required Supplementary Information

Manchester Township School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year Ended June 30, 2025

	General Fund	Special Revenue Fund
Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures		
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	$ 78,360,442	$ 5,868,891
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(2,863)
Prior year, net of cancellations		321,569
State aid payments recognized for GAAP statements in the current year, not previously recognized	(562,949)	(339,570)
The last state aid payments from the prior year are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	497,114	320,918
Prior year adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis.	(15,737)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	$ 78,278,870	$ 6,168,945
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	$ 79,698,585	$ 6,522,852
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current year		(2,863)
Prior year, net of cancellations		321,569
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	$ 79,698,585	$ 6,841,558

Supplementary Information

Special Revenue Fund

Manchester Township School District

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year Ended June 30, 2025

	Preschool Education Aid	I.D.E.A. Part B Regular	I.D.E.A. Part B Preschool	Title I Part A	Title II Part A	Title III Part D	Title III Part A & Immigrant	Elementary and Secondary School Emergency Relief ARP Program	Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Learning Acceleration Grant Program	Totals
Revenues:										
Federal sources		$ 820,057	$ 36,410	$ 645,645	$ 136,261	$ 33,242	$ 6,496	$ 7,685	$ 101,100	$ 1,786,896
State sources	$ 3,429,263									3,429,263
Local sources										
Total revenues	$ 3,429,263	$ 820,057	$ 36,410	$ 645,645	$ 136,261	$ 33,242	$ 6,496	$ 7,685	$ 101,100	$ 5,216,159
Expenditures:										
Current expenditures:										
Instruction:										
Salaries:										
Salaries of teachers	$ 1,211,107			$ 376,026	$ 20,000	$ 2,915			$ 30,114	$ 1,640,162
Other salaries for instruction	510,759									510,759
Tuition		$ 820,057	$ 36,410							856,467
Purchased professional services				15,768						15,768
Supplies and materials	34,857			12,943		20,051		$ 7,685	1,849	77,385
Other Objects	3,152									3,152
Total instruction	1,759,875	820,057	36,410	404,737	20,000	22,966	-	7,685	31,963	3,103,693
Support services:										
Salaries - professional staff	847,146			16,159		896	$ 284		26,091	890,576
Personal services - employee benefits	1,402,853			173,792	12,820				4,300	1,593,765
Purchased professional services	7,590			26,211	102,314	4,353	5,665		500	146,633
Travel	6,888									6,888
General supplies	12,685			13,746	1,127	5,027	547			33,132
Cleaning, repair and maintenance	24,861									24,861
Contract services - transportation	2,746									2,746
Other objects	932			11,000						11,932.00
Total support services	2,305,701	-	-	240,908	116,261	10,276	6,496	-	30,891	2,710,533
Capital outlay:										
Facilities acquisition and construction services:										
Instructional equipment									38,246	38,246
Non instructional equipment	43,627									43,627
Total facilities acquisition and construction services	43,627	-	-	-	-	-	-	-	38,246	81,873
Total expenditures	$ 4,109,203	$ 820,057	$ 36,410	$ 645,645	$ 136,261	$ 33,242	$ 6,496	$ 7,685	$ 101,100	$ 5,896,099
(Deficiency) of revenues (under) expenditures	(679,940)	-	-	-	-	-	-	-	-	(679,940)
Other financing sources										
Transfers in	679,940									679,940
Total other financing sources	679,940	-	-	-	-	-		-	-	679,940
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-

Manchester Township School District

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Year Ended June 30, 2025

	Menta Health Support Staffing ARP ESSER	Evidence-Based Summer Learning and Enrichment ARP ESSER	Comprehensive Beyond the School Day Activities Grant ARP ESSER	High Impact Tutoring Grant	NJSIG Security Grant	Other Local Grants	Scholarship Fund	Student Activity Fund	Totals
Revenues:									
Federal sources	$ 566	$ 7,426	$ 34,853	$ 28,097					$ 1,857,838
State sources									3,429,263
Local sources					$ 8,263	$ 3,534	$ 4,161	$ 565,832	581,790
Total revenues	$ 566	$ 7,426	$ 34,853	$ 28,097	$ 8,263	$ 3,534	$ 4,161	$ 565,832	$ 5,868,891
Expenditures:									
Current expenditures:									
Instruction:									
Salaries:									
Salaries of teachers		$ 6,160	$ 32,375	$ 7,367					$ 1,686,064
Other salaries for instruction									510,759
Tuition									856,467
Purchased professional services					$ 8,263				24,031
Supplies and materials		795		20,166					98,346
Other Objects									3,152
Total instruction	-	6,955	32,375.00	27,533	8,263	-	-		3,178,819
Support services:									
Salaries - professional staff	$ 477								891,053
Personal services - employee benefits	37	471	2,478	564					1,597,315
Purchased professional services						$ 3,534			150,167
Travel									6,888
General supplies	52								33,184
Cleaning, repair and maintenance									24,861
Contract services - transportation									2,746
Other objects									11,932
Scholarships Awarded							$ 12,500		12,500
Student Activities								$ 531,514	531,514
Total support services	566	471	2,478	564	-	3,534.00	12,500	531,514	3,262,160
Capital outlay:									
Facilities acquisition and construction services:									
Instructional equipment									38,246
Non instructional equipment									43,627
Total facilities acquisition and construction services									81,873
Total expenditures	$ 566	$ 7,426	$ 34,853	$ 28,097	$ 8,263	$ 3,534	$ 12,500	$ 531,514	$ 6,522,852
(Deficiency) excess of revenues (under)/over expenditures	-	-	-	-	-	-	(8,339)	34,318	(653,961)
Other financing sources									
Transfers in									679,940
Total other financing sources									679,940
Fund Balance, July 1	-	-	-	-	-	-	105,560	263,312	368,872
Fund Balance, June 30	-	-	-	-	-	-	$ 97,221	$ 297,630	$ 394,851

Manchester Township School District
Special Revenue Fund

Preschool Education Aid Expenditures

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Instruction:					
Salaries of teachers	$ 1,194,980	$ 16,563	$ 1,211,543	$ 1,211,107	$ 436
Other salaries for instruction	473,800	40,109	513,909	510,759	3,150
Other purchased services		2,936	2,936		2,936
General supplies	45,200		45,200	34,857	10,343
Other objects	3,500		3,500	3,152	348
Total instruction	1,717,480	59,608	1,777,088	1,759,875	17,213
Support services:					
Salaries - professional staff	842,711	5,418	848,129	847,146	983
Personal services - employee benefits	1,307,675	98,102	1,405,777	1,402,853	2,924
Other purchased professional services	52,936	(36,901)	16,035	7,590	8,445
Travel	2,500	4,564	7,064	6,888	176
General supplies	14,890	1,383	16,273	12,685	3,588
Cleaning, repair and maintenace	25,000	(139)	24,861	24,861	
Contract services - transportation	4,200		4,200	2,746	1,454
Other objects		932	932	932	
Total support services	2,249,912	73,359	2,323,271	2,305,701	17,570
Facilities acquisition and constr. services:					
Instructional equipment	56,667	(45,265)	11,402		11,402
Non-instructional equipment	50,781		50,781	43,627	7,154
Total facilities acquisition and constr. services	107,448	(45,265)	62,183	43,627	18,556
Total expenditures	4,074,840	87,702	4,162,542	4,109,203	53,339
Total outflows	$ 4,074,840	$ 87,702	$ 4,162,542	$ 4,109,203	$ 53,339

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2024-2025 PEA Allocation	$ 3,395,700
Add: Actual PEA Carryover June 30, 2024	38,451
Add: Budgeted Transfer from General Fund	679,940
Total Funds Available for 2024-2025 Budget	4,114,091
Less: 2024-2025 Budgeted PEA (Including prior year budgeted carryover)	(4,162,542)
Available & Unbudgeted PEA Funds as of June 30, 2025	(48,451)
Add: June 30, 2025 Unexpended PEA	53,339
2024-2025 Actual Carryover - PEA	$ 4,888
2024-2025 PEA Carryover Budgeted in 2025-2026	$ -

Internal Service Funds

Manchester Township School District
Internal Service Funds

Combining Statement of Net Position

June 30, 2025

	SAT Prep Fund	Transportation Fund	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,884	$ 13,941	$ 15,825
Other receivables		59,546	59,546
Total current assets	$ 1,884	$ 73,487	$ 75,371
NET POSITION			
Unrestricted	1,884	73,487	75,371
Total net position	$ 1,884	$ 73,487	$ 75,371

Manchester Township School District
Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Year Ended June 30, 2025

	SAT Prep Fund	Transportation Fund	Totals
Operating revenues:			
Charges for services:			
Services provided to other funds	$ 1,440	$ 344,627	$ 346,067
Total operating revenues	1,440	344,627	346,067
Operating expenses:			
Salaries	1,375	100,122	101,497
Employee benefits		58,187	58,187
Purchased professional services		155,318	155,318
Supplies and materials		31,000	31,000
Total operating expenses	1,375	344,627	346,002
Operating income	65	-	65
Change in net position	65	-	65
Total net position—beginning	1,819	73,487	75,306
Total net position—ending	$ 1,884	$ 73,487	$ 75,371

Manchester Township School District
Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2025

	SAT Prep Fund	Transportation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,440	$ 344,627	$ 346,067
Payments to employees	(1,375)	(100,122)	(101,497)
Payments for employee benefits		(58,187)	(58,187)
Payments to suppliers		(176,988)	(176,988)
Net cash provided by operating activities	65	9,330	9,395
Net increase in cash and cash equivalents	65	9,330	9,395
Balances—beginning of year	1,819	4,611	6,430
Balances—end of year	$ 1,884	$ 13,941	$ 15,825

Reconciliation of operating income to net cash (used in) operating activities:

	SAT Prep Fund	Transportation Fund	Totals
Operating income	$ 65	$ -	$ 65
Adjustments to reconcile operating income to net cash provided by operating activities			
Decrease in accounts receivable		9,330	9,330
Total adjustments	-	9,330	9,330
Net cash provided by operating activities	$ 65	$ 9,330	$ 9,395

Long-Term Debt

Manchester Township School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year Ended June 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2024	Retired	Balance June 30, 2025
Refunding Bonds	3/28/2012	$ 13,525,000	7/15/25	$ 850,000	3.000 %			
			7/15/26	835,000	3.130			
			7/15/27	820,000	3.250	$ 3,600,000	$ 1,095,000	$ 2,505,000
School Bonds	12/10/2014	9,605,000	3/15/26	675,000	3.000			
			3/15/27	685,000	3.000			
			3/15/28	700,000	3.000			
			3/15/29	725,000	3.000			
			3/15/30	750,000	3.000	4,190,000	655,000	3,535,000
Refunding Bonds	1/14/2020	4,680,000	3/1/26	455,000	4.000			
			3/1/27	450,000	4.000			
			3/1/28	450,000	4.000			
			3/1/29	445,000	4.000			
			3/1/30	445,000	4.000	2,700,000	455,000	2,245,000
						$ 10,490,000	$ 2,205,000	$ 8,285,000

Manchester Township School District
Long-Term Debt

Schedule of Financed Purchases Payable and Obligations Under Leases

Year Ended June 30, 2025

	Interest Rate	Amount of Original Issue	Amount Outstanding July 1, 2024	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2025
Financed Purchases Payable						
Buses and textbooks	1.99%	$ 845,000	$ 100,863		$ 100,863	
Technology, textbooks and bus	2.19%	1,150,000	244,962		79,892	$ 165,070
Textbooks and buses	1.65%	809,500	277,436		53,688	223,748
Buses and maintenance vehicle	4.22%	678,000	600,661		75,888	524,773
Buses, technology, and golf cart	4.39%	1,075,000	880,548		157,762	722,786
Technology and textbooks	5.21%	292,000		$ 292,000	73,112	218,888
			2,104,470	292,000	541,205	1,855,265
Obligations Under Leases						
Copier leases	Various	216,853	64,205		54,858	9,347
Copier leases	Various	8,922	8,028		1,618	6,410
Copier leases	Various	251,952		251,952	25,672	226,280
			72,233	251,952	82,148	242,037
Total			$ 2,176,703	$ 543,952	$ 623,353	$ 2,097,302

Manchester Township School District
Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local tax levy	$ 2,382,075		$ 2,382,075	$ 2,382,075	
Miscellaneous				1	$ 1
State sources:					
Debt Service Aid	151,293		151,293	151,293	
Total revenues	2,533,368	-	2,533,368	2,533,369	$ 1
Expenditures:					
Principal on bonds	2,205,000		2,205,000	2,205,000	
Interest on bonds	328,369		328,369	328,369	
Total expenditures	2,533,369	-	2,533,369	2,533,369	-
(Deficiency) of revenues (under) expenditures	(1)		(1)	-	1
Fund balance, July 1	-	-	-	-	
Fund balance, June 30	$ (1)	$ -	$ (1)	$ -	$ 1

Statistical Section

Statistical Section
Unaudited

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district' s current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report (ACFR) for the relevant year.*

Manchester Township School District
Net Position by Component
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024 (Restated)	2025
Governmental activities										
Net investment in capital assets	$ 18,617,647	$ 23,070,376	$ 23,505,093	$ 24,092,836	$ 23,760,798	$ 25,564,664	$ 26,872,751	$ 28,210,392	$ 30,589,842	$ 30,851,581
Restricted	4,272,611	2,853,959	2,058,828	2,140,175	4,363,622	4,457,723	5,145,333	5,052,148	4,181,614	2,732,536
Unrestricted (deficit)	(20,226,997)	(22,997,136)	(23,894,954)	(24,215,577)	(24,867,059)	(23,217,237)	(21,499,071)	(19,884,292)	(19,285,749)	(20,884,530)
Total governmental activities net position	$ 2,663,261	$ 2,927,199	$ 1,668,967	$ 2,017,434	$ 3,257,361	$ 6,805,150	$ 10,351,130	$ 13,378,248	$ 15,485,707	$ 12,699,587
Business-type activities										
Net Investment in capital assets	$ 245,981	$ 192,917	$ 166,982	$ 144,839	$ 103,129	$ 105,439	$ 119,399	$ 111,204	$ 521,172	$ 962,202
Unrestricted (deficit)/net position	(2,678,384)	(3,231,931)	(3,532,016)	(2,244,929)	(1,826,618)	(765,342)	991,276	2,473,752	3,028,654	2,008,877
Total business-type activities net position	$ (2,432,403)	$ (3,039,014)	$ (3,365,034)	$ (2,100,090)	$ (1,723,489)	$ (659,903)	$ 1,110,675	$ 2,584,956	$ 3,549,826	$ 2,971,079
District-wide										
Net investment in capital assets	$ 18,863,628	$ 23,263,293	$ 23,672,075	$ 24,237,675	$ 23,863,927	$ 25,670,103	$ 26,824,267	$ 28,321,596	$ 31,111,014	$ 31,813,783
Restricted	4,272,611	2,853,959	2,058,828	2,140,175	4,363,622	4,457,723	5,145,333	5,052,148	4,181,614	2,732,536
Unrestricted (deficit)	(22,905,381)	(26,229,067)	(27,426,970)	(26,460,506)	(26,693,677)	(23,982,579)	(20,507,795)	(17,410,540)	(16,257,095)	(18,875,653)
Total district net position	$ 230,858	$ (111,815)	$ (1,696,067)	$ (82,656)	$ 1,533,872	$ 6,145,247	$ 11,461,805	$ 15,963,204	$ 19,035,533	$ 15,670,666

Source: ACFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds.
This required presentation did not impact any of the balances from prior years. (See footnotes for detail).

GASB No.68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of $18,520,055. This amount is not reflected in the June 30, 2014 Net Position above.

GASB No.84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of $669,044.

GASB No.101 was implemented during the 2025 fiscal year, which required the restatement of beginning governmental activities and business type activities net position in the amount of ($1,411,570) and ($332,584), respectively.

Manchester Township School District
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction	$ 40,049,220	$ 43,853,098	$ 48,809,660	$ 45,077,010	$ 43,743,080	$ 49,368,549	$ 44,259,531	$ 44,419,460	$ 46,414,165	$ 49,704,108
Support Services:										
Attendance and social work	76,771	77,840	73,762	74,326	71,665	79,204	71,159	71,989	76,759	83,676
Health services	433,965	457,646	477,856	523,308	501,037	503,313	465,731	496,479	487,798	527,389
Other support services	5,074,174	5,908,780	6,243,470	5,733,523	5,306,085	6,276,668	5,646,299	8,047,316	8,764,723	8,831,089
Improvement of instruction	1,426,602	1,652,019	1,749,547	1,646,177	1,532,055	1,718,774	1,529,192	1,461,678	1,274,040	1,195,606
Other support instructional staff	43,587	33,877	72,914	73,105	76,072	93,578	138,088	83,678	40,020	37,214
School library	666,302	776,286	777,082	632,419	636,861	745,561	635,481	556,962	486,250	322,275
General administration	2,159,962	4,073,454	2,365,497	2,313,823	2,222,108	2,335,389	2,541,669	2,696,116	2,530,464	2,807,560
School administration	4,403,487	5,392,517	5,638,278	5,181,587	5,148,006	5,510,330	4,938,564	4,501,019	4,790,370	4,791,054
Required maintenance of plant	1,146,279	340,994	1,839,769	1,308,136	803,113	1,357,205	1,636,187	950,050	1,153,654	924,224
Operation of plant	6,245,086	5,014,731	5,062,146	4,845,177	4,513,144	4,734,020	4,407,695	4,446,129	4,782,790	5,314,968
Student transportation	5,176,387	5,886,520	6,200,588	5,996,023	6,212,007	5,739,506	6,287,658	6,584,911	7,222,521	7,671,760
Interest on long-term debt	1,106,501	956,630	893,322	815,239	795,657	580,500	488,515	409,895	362,877	252,265
Total governmental activities expenses	68,008,323	74,424,392	80,203,891	74,219,853	71,560,890	79,042,596	73,045,768	74,725,681	78,386,430	82,463,188
Business-type activities:										
Food service	1,318,449	1,353,564	1,352,051	1,350,444	983,659	1,186,566	1,853,739	1,810,725	1,954,544	2,083,158
Regional Day School	5,952,972	6,119,386	6,025,421	5,980,387	5,877,463	5,388,092	5,347,894	6,052,569	7,271,604	8,126,538
Total business-type activities expense	7,271,421	7,472,950	7,377,472	7,330,831	6,861,122	6,574,658	7,201,632	7,863,294	9,226,148	10,209,696
Total district expenses	$ 75,279,744	$ 81,897,342	$ 87,581,363	$ 81,550,684	$ 78,422,012	$ 85,617,254	$ 80,223,132	$ 82,588,975	$ 87,612,578	$ 92,672,884
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	$ 2,184,663	$ 2,246,563	$ 2,402,372	$ 2,491,973	$ 2,276,779	$ 2,200,668	$ 2,429,729	$ 2,525,500	$ 2,358,540	$ 2,349,880
Other support services						239,782	433,966	522,722	485,661	565,832
Pupil transportation	381,561	376,660	430,144	485,574	295,332	302,098	495,602	428,494	361,775	346,067
Operating grants and contributions	1,268,792	1,455,257	1,499,405	1,543,678	1,529,815	2,902,611	2,227,715	6,875,153	7,919,477	5,603,113
Capital grants and contributions	3,816,710	1,033,015	212,035	3,097						
Total governmental activities program revenues	7,651,726	5,111,495	4,543,956	4,524,322	4,101,926	5,645,159	5,587,012	10,351,869	11,125,453	8,864,892
Business-type activities:										
Charges for services										
Food service	738,033	731,712	752,912	780,803	441,092	184,485	406,434	810,440	846,334	607,511
Regional Day School	5,069,815	5,353,217	5,520,122	7,032,968	6,114,475	6,000,993	6,478,724	7,098,523	7,915,517	7,861,840
Operating grants and contributions	771,717	781,410	778,418	751,314	682,156	1,452,766	2,087,052	1,428,612	1,429,167	1,494,182
Total business type activities program revenues	6,579,565	6,866,339	7,051,452	8,565,085	7,237,723	7,638,244	8,972,210	9,337,575	10,191,018	9,963,533
Total district program revenues	$ 14,231,291	$ 11,977,834	$ 11,595,408	$ 13,089,407	$ 11,339,649	$ 13,283,403	$ 14,559,222	$ 19,689,444	$ 21,316,471	$ 18,828,425
Net (Expense)/Revenue										
Governmental activities	$ (60,356,597)	$ (69,312,897)	$ (75,659,937)	$ (69,695,531)	$ (67,458,964)	$ (73,397,437)	$ (67,458,756)	$ (64,373,812)	$ (67,260,977)	$ (73,598,296)
Business-type activities	(691,856)	(606,611)	(326,020)	1,234,254	376,601	1,063,586	1,770,578	1,474,281	964,870	(246,163)
Total district-wide net expense	$ (61,048,453)	$ (69,919,508)	$ (75,985,957)	$ (68,461,277)	$ (67,082,363)	$ (72,333,851)	$ (65,688,178)	$ (62,899,531)	$ (66,296,107)	$ (73,844,459)

Manchester Township School District
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	$ 41,933,692	$ 42,772,366	$ 43,977,813	$ 45,262,715	$ 46,167,969	$ 47,221,415	$ 48,165,843	$ 49,116,199	$ 51,129,923	$ 52,977,550
Property taxes levied for debt service	2,888,994	2,820,179	2,786,339	2,786,444	2,746,129	2,534,674	2,606,106	2,379,478	2,453,898	2,382,075
Unrestricted grants and contributions	18,719,469	23,885,859	27,471,011	21,871,912	18,952,617	27,073,154	20,106,551	15,724,960	15,386,105	16,492,772
Interest and investment earnings - unrestricted	46,900	37,809	46,614	33,678	61,239	34,352	45,213	149,162	333,171	253,105
Interest and investment earnings - restricted						108	471	2,700		
Miscellaneous income	97,590	60,622	119,928	89,249	101,893	81,523	80,552	28,430	65,339	118,244
Total governmental activities	63,686,645	69,576,835	74,401,705	70,043,998	68,029,847	76,945,226	71,004,736	67,400,929	69,368,436	72,223,746
Business-type activities:										
Investment earnings and miscellaneous revenue										
Miscellaneous income				30,690						
Total business-type activities				30,690						
Total district-wide	$ 63,686,645	$ 69,576,835	$ 74,401,705	$ 70,074,688	$ 68,029,847	$ 76,945,226	$ 71,004,736	$ 67,400,929	$ 69,368,436	$ 72,223,746
Change in Net Position										
Governmental activities	$ 3,330,048	$ 263,938	$ (1,258,232)	$ 2,585,034	$ (5,367,590)	$ 9,172,543	$ 3,545,980	$ 3,027,117	$ 2,107,459	$ (1,374,550)
Business-type activities	(691,856)	(606,611)	(326,020)	407,291	1,063,586	1,770,578	1,770,578	1,474,281	964,870	(246,163)
Total district	$ 2,638,192	$ (342,673)	$ (1,584,252)	$ 2,992,325	$ (4,304,004)	$ 10,943,121	$ 5,316,558	$ 4,501,398	$ 3,072,329	$ (1,620,713)

Source: ACFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds.
This required presentation did not impact any of the balances from prior years. (See footnotes for detail).

GASB No.84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services.
This amount is not reflected in the June 30th prior revenue balances above.

Manchester Township School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024	2025
General Fund										
Restricted for	$ 1,704,475	$ 1,977,096	$ 1,529,317	$ 1,733,190	$ 3,601,483	$ 3,940,510	$ 4,614,176	$ 4,640,843	$ 3,812,742	$ 2,337,685
Assigned to	260,350	8,644	143,849	109,863	51,764	64,230	29,103	762,597	55,526	74,646
Unassigned	504,276	701,709	851,425	1,014,890	1,247,015	2,863,343	1,695,111	854,494	756,600	656,834
Total general fund	$ 2,469,101	$ 2,687,449	$ 2,524,591	$ 2,857,943	$ 4,900,262	$ 6,868,083	$ 6,338,390	$ 6,257,934	$ 4,624,868	$ 3,069,165
All Other Governmental Funds										
Restricted for:										
Capital projects fund	$ 2,568,136	$ 876,863	$ 529,511	$ 406,985	$ 379,554					
Debt service fund	364,565	3,483	910	103,505	114,655	$ 176,802	$ 165,301	$ 209		
Special revenue fund:										
Scholarships					147,374	137,256	125,081	114,428	$ 105,560	$ 97,221
Student activities					235,211	203,155	240,775	296,877	263,312	297,630
Unassigned								(372,510)	(320,918)	(339,570)
Total all other governmental funds	$ 2,932,701	$ 880,346	$ 530,421	$ 510,490	$ 876,794	$ 517,213	$ 531,157	$ 39,004	$ 47,954	$ 55,281

Source: ACFR Schedule B-1 and District records.

GASB No. 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for scholarship and student activity accounts.

Manchester Township School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Unaudited

	Year ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 44,822,686	$ 45,592,545	$ 46,764,152	$ 48,049,159	$ 48,914,098	$ 49,756,089	$ 50,771,949	$ 51,495,677	$ 53,583,821	$ 55,359,625
Tuition charges	2,184,663	2,246,563	2,402,372	2,491,973	2,276,779	2,200,668	2,429,729	2,525,500	2,358,540	2,349,880
Interest earnings	10,850	13,962	46,614	672	32,967	11,304	22,464	149,162	333,171	253,105
Investment Income	36,050	23,847		33,006	28,272	23,048	22,749	2,700		
Miscellaneous	188,739	69,949	166,451	171,149	162,194	331,404	582,078	577,692	573,534	700,035
Other restricted miscellaneous revenues						108	471			
State sources	15,256,752	13,537,972	13,512,423	14,631,220	15,069,776	17,481,829	20,152,423	22,564,889	25,365,189	26,111,398
Federal sources	1,386,627	1,611,174	1,579,965	1,591,886	1,598,163	3,032,857	2,231,366	4,918,351	3,955,516	2,207,141
Total revenue	63,886,367	63,096,012	64,471,977	66,969,065	68,082,249	72,837,307	76,213,229	82,233,971	86,169,771	86,981,184
Expenditures										
Instruction										
Regular and special education instruction	23,996,137	24,748,311	25,546,491	25,894,888	26,677,736	28,349,562	29,993,177	31,754,377	33,091,213	34,113,566
Support Services:										
Attendance and social work	46,757	44,595	42,023	47,471	48,543	50,295	52,396	55,239	58,659	61,332
Health services	433,965	457,646	477,856	523,308	501,037	503,313	465,731	496,479	487,798	527,389
Other support services	2,707,183	2,954,053	2,959,467	3,034,983	3,017,212	3,642,382	3,884,399	6,342,641	6,982,264	6,831,274
Improvement of instruction	829,877	862,762	873,009	894,789	896,457	922,781	994,886	987,830	868,702	774,967
School library	383,963	421,014	393,069	354,167	378,452	404,552	416,708	391,682	334,206	209,455
Instructional staff training	38,948	32,096	72,676	65,054	67,899	68,719	124,963	68,907	32,721	37,214
General administration	433,467	513,481	536,155	615,012	566,092	527,992	598,135	520,291	462,724	508,817
School administration	1,661,378	1,808,793	1,894,797	1,934,739	2,009,128	1,998,614	2,171,331	2,149,703	2,235,654	2,122,148
Central services	549,135	596,680	591,464	583,511	558,587	565,258	606,720	585,698	576,936	557,027
Information technology	244,824	456,848	363,760	318,159	380,781	467,533	490,580	374,684	505,506	457,911
Required maintenance of plant	1,045,440	727,338	995,044	946,061	1,158,528	911,475	1,328,303	713,554	924,060	678,417
Operation of plant	3,904,894	3,879,926	3,796,027	3,865,307	3,777,320	3,729,932	4,025,542	4,191,930	4,269,189	4,602,740
Student transportation	3,063,089	3,517,953	3,628,164	3,662,054	3,587,246	3,565,606	4,587,784	5,091,469	5,598,001	5,785,338
Business and other support services and benefits	15,638,003	17,482,441	18,599,679	20,188,610	19,410,329	20,860,792	22,780,060	24,369,413	25,533,560	27,295,658
Capital outlay	11,487,932	3,013,500	2,076,974	738,675	1,523,207	2,638,042	1,635,614	2,684,848	4,306,772	1,976,890
Debt service:										
Cost of Issuance					100,777					
Principal	2,580,369	2,430,000	2,075,000	2,150,000	2,185,000	2,180,000	2,205,000	2,220,000	2,200,000	2,205,000
Interest and other charges	1,151,590	982,582	908,105	838,856	749,116	651,719	574,206	496,131	409,844	328,369
Total expenditures	70,196,951	64,930,019	65,829,760	66,655,644	67,593,447	72,038,567	76,935,535	83,494,876	88,877,809	89,073,512
Excess (deficiency) of revenues over (under) expenditures	(6,310,584)	(1,834,007)	(1,357,783)	313,421	488,802	798,740	(722,306)	(1,260,905)	(2,708,038)	(2,092,328)
Other Financing Sources (Uses)										
Financed purchases payable (non-budgeted)	725,000		845,000		1,150,000	809,500		678,000	1,083,922	543,952
Obligations under leases							216,853			
Bond proceeds										
Proceeds of refunding debt					4,680,000					
Payment to refunded debt escrow agent					(5,159,038)					
Original issue premium					579,815					
Transfers in	370,623	351	559	102,945	450	164,949				
Transfers out	(370,623)	(351)	(559)	(102,945)	(450)	(164,949)				
Total other financing sources (uses)	725,000	-	845,000	-	1,250,777	809,500	216,853	678,000	1,083,922	543,952
Net change in fund balances	$ (5,585,584)	$ (1,834,007)	$ (512,783)	$ 313,421	$ 1,739,579	$ 1,608,240	$ (505,453)	$ (582,905)	$ (1,624,116)	$ (1,548,376)
Debt service as a percentage of noncapital expenditures	6.4%	5.5%	4.7%	4.5%	4.4%	4.1%	3.7%	3.4%	3.1%	2.9%

Source: ACFR Schedule B-2

Note: The change in fund balance in 2015 was the result of the issuance of $9,605,000 of bonds offset by expenditures incurred relating to the District's approved referendum.

Note: Governmental Standards Board No. 87 (GASB 87) was implemented by the District for the year ended June 30, 2022. Under No. GASB 87, a single model approach exists, meaning a distinction between operating and capital leases n
As a result, GASB 87 now requires all agreements meeting the definition of a lease to be classified as either a financed purchased lease or an obligation under lease.

Manchester Township School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	SREC Revenue	Insurance Refunds	Other Refunds	Misc.	Total
2016	$ 36,050	$ 15,390	$ 4,060	$ 102,372	$ 157,872
2017	23,847			60,622	84,469
2018	59,897	10,372		49,659	119,928
2019	33,006		20,133	66,800	119,939
2020	28,272	23,718	935	48,968	101,893
2021	23,048	7,279	813	50,383	81,523
2022	58,672	15,149	11,560	17,920	103,301
2023		15,300	7,381	5,749	28,430
2024		27,316		38,023	65,339
2025		15,845	6,309	96,090	118,244

Source: District Records

Manchester Township School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg/Qual	Commercial	Industrial	Apartment	Communication Equipment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]
2024 ®	$ 199,991,000	$ 6,114,315,900	$ 11,128,800	$ 525,272,800	$ 67,337,500	$ 789,331,900		$ 7,707,377,900		$ 7,707,377,900	$ 0.736
2024	82,869,400	3,372,595,400	6,355,300	374,262,100	35,254,700	390,477,900		4,261,814,800		4,261,814,800	1
2023	71,373,200	3,361,973,900	6,322,900	393,750,000	35,596,400	390,626,400	$ 4,412,800	4,264,055,600		4,264,055,600	1
2022	70,676,300	3,334,623,400	6,714,800	393,884,700	36,465,900	391,244,400		4,233,609,500	$ 5,147,618	4,238,757,118	1
2021	79,730,900	3,299,931,412	6,508,700	397,435,100	36,465,900	391,282,400		4,211,354,412	5,639,089	4,216,993,501	1.192
2020 ®	90,632,100	3,264,699,112	6,521,900	396,503,700	36,638,400	391,282,400		4,186,277,612	5,422,794	4,191,700,406	1.177
2019	87,658,400	2,636,323,236	5,754,300	310,324,700	24,436,600	259,337,500		3,323,834,736	4,008,381	3,327,843,117	1.457
2018	99,712,300	2,586,960,854	5,759,500	310,063,100	24,436,600	259,337,500		3,286,269,854	3,732,909	3,290,002,763	1.441
2017	111,405,500	2,538,362,185	5,735,400	311,203,800	24,436,600	259,361,500		3,250,504,985	3,708,597	3,254,213,582	1.419
2016	118,976,900	2,513,100,885	5,506,100	323,818,400	24,436,600	259,361,500		3,245,200,385	3,811,602	3,249,011,987	1.391
2015	124,982,600	2,490,770,585	5,666,300	327,057,000	24,436,600	259,361,500		3,232,274,585	4,115,976	3,236,390,561	1.358

Source: District records, Tax list summary & Municipal Tax Assessor and Collector, abstract of ratables, County Board of Taxation

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation

Reassessment occurs when ordered by the County Board of Taxation, which occurred in the 2009 fiscal year.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per $100

® Revaluation of Property

Manchester Township School District
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per $100 of assessed value)

Unaudited

	Manchester Township School District			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Manchester Township	Ocean County	Total Direct and Overlapping Tax Rate
2016	$ 1.313	$ 0.078	$ 1.391	$ 0.664	$ 0.479	$ 2.534
2017	1.333	0.086	1.419	0.651	0.495	2.565
2018	1.356	0.085	1.441	0.636	0.474	2.551
2019	1.374	0.083	1.457	0.633	0.475	2.565
2020	1.115	0.062	1.177	0.533	0.400	2.110
2021	1.131	0.061	1.192	0.562	0.413	2.167
2022	1.148	0.058	1.206	0.577	0.432	2.215
2023	1.175	0.057	1.232	0.692	0.406	2.330
2024	1.221	0.057	1.278	0.742	0.435	2.455
2025	0.707	0.029	0.736	0.396	0.323	1.455

Source: District Records and Municipal Tax Collector.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

b Rates for debt service are based on each year's requirements.

Manchester Township School District
Principal Property Taxpayers
Current Year and Nine Years Ago

Unaudited

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Cedar Glen Lakes	$ 159,174,100	1	2.07%	$ 56,569,000	1	1.74%
Crestwood Village Co-Op IV	137,712,000	2	1.79%	41,213,500	2	1.27%
Crestwood Village Co-Op III	112,799,000	3	1.46%	34,559,000	5	1.06%
Crestwood Village Co-Op II	111,678,400	4	1.45%	35,617,700	3	1.10%
Pine Ridge MHC LLC	84,255,600	6	1.09%	35,000,000	4	1.08%
Arbors Propco LLC	76,573,100	7	0.99%			
Crestwood Village Co-Op I	87,405,000	5	1.13%	27,678,000	8	0.85%
Cedar Glen West	72,960,000	8	0.95%			
Suncrest Village	61,423,000	9	0.80%			
Manchester Plaza				33,547,500	6	1.03%
Sprintpoint At Crestwood				31,200,000	7	0.96%
Keswick Pines						
Cedar Glen Homes	46,304,000	10	0.60%			
Briarhill at Manchester				27,500,000	9	0.85%
Hovson's				27,112,900	10	0.83%
Total	$ 950,284,200		12.33%	$ 349,997,600		10.77%

Source: District ACFR & Municipal Tax Assessor and Treasurer

Manchester Township School District
Property Tax Levies and Collections
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2016	$ 44,822,686	$ 44,822,686	100.00%
2017	45,592,545	45,592,545	100.00%
2018	46,764,152	46,764,152	100.00%
2019	48,049,159	48,049,159	100.00%
2020	48,914,098	48,914,098	100.00%
2021	49,335,094	49,335,094	100.00%
2022	50,771,949	50,771,949	100.00%
2023	51,495,677	51,495,677	100.00%
2024	53,583,821	53,583,821	100.00%
2025	56,754,518	56,754,518	100.00%

Source: District records including the Report of School Taxes (A4F form).

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount certified prior to the end of each school year.

Manchester Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Unaudited

	Governmental Activities			Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds	Financed Purchases Payable	Obligations Under Leases	Financed Purchases Payable	Total District	Percentage of Per Capita Income [a]	Per Capita [a]
2016	$ 28,605,000	$ 2,037,799		$ 2,065	$ 30,644,864	0.14%	$ 44,381
2017	26,175,000	1,509,729			27,684,729	0.17%	46,109
2018	24,100,000	1,813,538			25,913,538	0.19%	48,116
2019	21,950,000	1,312,546			23,262,546	0.22%	50,184
2020	19,295,000	1,919,956			21,214,956	0.25%	52,008
2021	17,115,000	2,094,135			19,209,135	0.28%	53,139
2022	14,910,000	1,458,003	$ 167,883		16,535,886	0.35%	57,344
2023	12,690,000	1,570,852	117,025		14,377,877	0.42%	60,823
2024	10,490,000	2,104,470	72,233		12,666,703	0.47%	59,332
2025	8,285,000	1,855,265	242,037		10,382,302	0.60%	62,195

Source: District ACFR Schedules I-1, I-2, footnotes and District records.

Note: Details regarding the District's outstanding debt can be found in note 5 to the basic financial statements.

a See J-14 for per capita income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Governmental Standards Board No. 87 (GASB 87) was implemented by the District for the year ended June 30, 2022. Under GASB No. 87, a single model approach exists, meaning a distinction between operating and capital leases no longer exists. As a result, GASB No. 87 now requires all agreements meeting the definition of a lease to be classified as either a financed purchased lease or an obligation under lease.

Manchester Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	$ 28,605,000	$ 364,565	$ 28,240,435	0.87%	$ 648.58
2017	26,175,000	3,483	26,171,517	0.80%	603.10
2018	24,100,000	910	24,099,090	0.73%	555.34
2019	21,950,000	103,505	21,846,495	0.66%	506.91
2020	19,295,000	114,655	19,180,345	0.46%	438.68
2021	17,115,000	176,802	16,938,198	0.40%	384.08
2022	14,910,000	165,301	14,744,699	0.35%	323.00
2023	12,690,000	206	12,689,794	0.30%	275.45
2024	10,490,000		10,490,000	0.25%	227.78
2025	8,285,000		8,285,000	0.19%	179.13

Source:
a See J-6 for property tax data.
b Population and personal income data can be found in J-14.

Note: Details regarding the District's outstanding debt can be found in Note 5 to the basic financial statements.

Manchester Township School District
Ratios of Overlapping Governmental Activities Debt
Year Ended June 30, 2025

Unaudited

	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Manchester Township	$ 30,768,944	100.0%	$ 30,768,944
County of Ocean	551,161,252	3.80%	20,944,128
Subtotal, overlapping debt			51,713,072
Manchester Township School District Direct Debt			8,285,000
Total direct and overlapping debt			$ 59,998,072

Sources: Manchester Township Finance Officer, Ocean County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Manchester. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Manchester Township School District
Legal Debt Margin Information
Last Ten Fiscal Years

Unaudited

Equalized Valuation Basis

2025 ®	$ 7,707,377,900
2023	4,261,814,800
2022	4,259,642,800
	$ 16,228,835,500
	$ 5,409,611,833
Debt limit (4 % of average equalization value)	$ 216,384,473
	8,285,000
Net debt applicable to the limit	$ 208,099,473

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 145,477,074	$ 148,444,666	$ 151,386,229	$ 153,297,681	$ 158,507,445	$ 163,488,100	$ 168,415,887	$ 169,394,756	$ 170,067,561	$ 216,384,473
Total net debt applicable to limit	28,240,435	26,171,517	24,099,090	21,950,000	19,295,000	17,115,000	14,910,000	12,690,000	10,490,000	8,285,000
Legal debt margin	$ 117,236,639	$ 122,273,149	$ 127,287,139	$ 131,347,681	$ 139,212,445	$ 146,373,100	$ 153,505,887	$ 156,704,756	$ 180,557,561	$ 180,557,561
Total net debt applicable to the limit as a percentage of debt limit	19.41%	17.63%	15.92%	14.32%	12.17%	10.47%	8.85%	7.49%	6.17%	3.83%

Source: Abstract of Ratables, Annual Report of the State of New Jersey, Department of the Treasury, Division of Taxation and District Records.

Note: Revaluation of Property

Manchester Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Unaudited

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2016	43,542		$ 46,109	6.7%
2017	43,395		47,413	6.4%
2018	43,395		47,413	6.4%
2019	43,097		50,184	5.7%
2020	43,723		52,008	5.1%
2021	44,101		53,139	11.7%
2022	45,649		57,344	7.6%
2023	46,070		60,823	5.1%
2024	46,053		59,332	5.8%
2025	46,252		62,195	9.0%

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development.

[b] Personal income data was not available.

[c] Per Capita Personal Income information provided by NJ Dept of Labor and Workforce Development.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development.

Manchester Township School District
Principal Employers
Current Year and Nine Years Ago

Unaudited

	2025			2016		
Employer	**Employees***	**Rank (Optional)**	**Percentage of Total**	**Employees**	**Rank (Optional)**	**Percentage of Total**
Joint Base - Lakehurst	3,550		24.21%	2,500		18.76%
Manchester Township Board of Education	670		4.57%	573		4.30%
Whiting Healthcare	140		0.95%	192		1.44%
Manchester Township	228		1.56%			
Arista Healthcare	225		1.53%			
Crestwood Manor	225		1.53%	225		1.69%
Shoprite	200		1.36%			
Manchester Manor	192		1.31%	200		1.50%
Lowe's	140		0.95%	140		1.05%
Arbors Care Center	120		0.82%	120		0.90%
Logan Manor Association				120		0.90%
	5,690		38.81%	4,070		30.54%
Total Employment within Township	14,661			13,326		

Source: Manchester Township CFO and Official Statements
* Estimated

Manchester Township School District
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Unaudited

Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Instruction										
Regular	212.1	219.1	218.1	214.2	215.2	216.2	194	212	212	215
Special education	68.4	68.4	68.4	68.4	69.4	70.4	72	74	70	65
Other special education	38	38	39	39	39	39	32	24	24	23
Support Services:										
Student & instruction related services	84.7	84.7	98.2	105.6	111.6	126.6	146	146	146	142
General adminsitrative services	2.1	2.1	2.1	2.1	2.1	2.1	2.4	4	5	5
School administrative services	28.4	28.4	28.4	26.4	26.4	26.4	26.5	29	29	29
Business adminsitrative services	6.9	6.9	6.9	6.9	4.9	6.9	6.6	6.5	6.5	6.5
Technical administrative services	4	4	4	4	4	5	5	5	5	5
Plant operations and maintenance	36.5	36.5	36.5	37.5	38.5	38.5	38.2	38.6	32	36
Pupil transportation	62.62	62.62	62.62	63.9	60.7	60	56	64.4	62.12	69.3
Total	543.72	550.72	564.22	568.00	571.80	591.10	578.70	603.50	591.62	595.80

Source: District Personnel Records

***NOTE:** 2011 Data is reported in accordance with the new full-time equivalent format provided as part of the 2011-2012 budget build. FTE's in Special Schools categ
are reclassified in special education and student and instruction related services.

Manchester Township School District
Operating Statistics
Last Ten Fiscal Years

Unaudited

Fiscal Year	October 15 Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio: Elementary	Pupil/Teacher Ratio: Middle School	Pupil/Teacher Ratio: High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	2,914	$ 54,977,060	$ 18,867	4.84%	276	11:1	10:1	11:1	2,878	2,853	-1.61%	94.89%
2017	2,915	58,503,937	20,070	9.94%	275	11:1	10:1	11:1	2,884	2,850	0.21%	98.82%
2018	2,878	60,769,681	21,115	11.92%	270	11:1	10:1	11:1	2,869	2,838	-0.52%	98.92%
2019	2,895	62,928,113	21,737	8.31%	272	11:1	10:1	11:1	2,814	2,660	-1.92%	94.53%
2020	2,907	63,035,347	21,684	2.69%	274	11:1	10:1	11:1	2,872	2,776	2.06%	96.66%
2021	2,879	66,568,806	23,122	6.37%	276	11:1	10:1	11:1	2,817	2,631	-1.92%	93.40%
2022	2,813	72,520,715	25,781	18.89%	298	11:1	10:1	11:1	2,749	2,557	-2.41%	93.02%
2023	2,878	78,093,897	27,135	17.35%	325	11:1	10:1	11:1	2,814	2,595	2.36%	92.22%
2024	3,009	81,961,193	27,239	0.38%	306	11:1	10:01	11:01	2,851	2,660	1.31%	93.30%
2025	2,890	84,563,253	29,261	7.42%	305	11:2	10:01	11:01	2,787	2,589	-2.24%	92.90%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay (J-4).
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Manchester Township School District
School Building Information
Last Ten Fiscal Years

Unaudited

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary										
Manchester Elementary (1992)										
Square Feet	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900
Capacity (students)	711	711	711	711	711	711	711	711	711	711
Enrollment	546	567	551	541	540	560	495	514	550	572
Ridgeway Elementary (1958)										
Square Feet	66,150	66,150	66,150	66,150	66,150	66,150	66,150	66,150	66,150	66,150
Capacity (students)	694	694	694	694	694	694	694	694	694	694
Enrollment	487	463	453	444	455	430	450	465	495	468
Whiting Elementary (1954)										
Square Feet	36,900	36,900	36,900	36,900	36,900	36,900	36,900	36,900	36,900	36,900
Capacity (students)	336	336	336	336	336	336	336	336	336	336
Enrollment	261	247	241	248	249	253	244	326	277	278
Middle School										
Manchester Middle (1983)										
Square Feet	104,948	104,948	104,948	104,948	104,948	104,948	104,948	104,948	104,948	179,400
Capacity (students)	822	822	822	822	822	822	822	822	855	1,402
Enrollment	691	663	681	667	695	649	650	604	618	922
High School										
Manchester High School (1976)										
Square Feet	179,400	179,400	179,400	179,400	179,400	179,400	179,400	179,400	179,400	179,400
Capacity (students)	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402
Enrollment	971	1,008	1,003	991	1,007	987	965	969	939	939

Number of Schools at June 30, 2023
High School = 1
Elementary = 3
Middle School = 1

Source: District records, ASSA
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.
Enrollment is based on the annual October district count.

Manchester Township School District
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years

Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

		Fiscal Year Ended June 30,									
School Facilities	Project # (s)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Central Office		$169,592	$ 155,762	$ 221,933	$ 289,169	$ 223,063	$ 255,630	$ 200,483	$ 240,673	$ 234,994	$ 221,690
High School	40	164,542	230,311	133,325	475,654	214,845	248,184	201,454	343,518	122,208	289,847
Manchester Elementary School	43	113,538	97,664	82,927	102,481	119,818	193,621	151,204	88,281	56,862	157,077
Manchester Middle School	45	101,326	210,841	116,031	183,593	185,047	164,101	160,807	134,581	170,154	217,836
Ridgeway Elementary School	50	78,197	134,337	95,484	237,773	113,161	176,886	129,950	88,050	88,902	92,039
Whiting ElementarySchool	60	51,222	95,145	63,854	39,633	55,541	112,665	94,171	99,941	54,217	66,951
Total School Facilities		$678,417	$ 924,060	$ 713,554	$ 1,328,303	$ 911,475	$ 1,151,088	$ 938,069	$ 995,044	$ 727,338	$ 1,045,440

Source: District records of required maintenance.

Manchester Township School District
Insurance Schedule
Year Ended June 30, 2025
Unaudited

Type of Coverage	Coverage	Deductible
Multi Peril Package Policy - New Jersey School Board Association Ins. Group		
Section I - Property:		
Blanket building and contents	$ 350,000,000	$ 5,000
Extra expense	50,000,000	5,000
Flood/Earthquake /Terrorism	151,000,000	500,000
Valuable papers	10,000,000	5,000
Demolition and Inc. Cost of Construction	25,000,000	
Limited Builders Risk	10,000,000	
Other	625,000	
Section II - Electronic Data Processing:		
Computer equipment:Hardware/Software	1,000,000	1,000
Computer Virus	250,000	
Section III - Property and Business Inc.:		
Equipment/Business Income	100,000,000	5,000
Section IV - Crime:		
Blanket employee dishonesty	1,000,000	1,000
Depositors forgery	100,000	500
Money and securities	100,000	500
Forgery or Alteration	1,000,000	1,000
Computer Fraud	50,000	500
Section V - General Liability:		
Bodily injury and property damage	31,000,000	
Sexual Abuse	27,000,000	
Products and Completed Operations	31,000,000	
Personal Injury and Adv. Injury	31,000,000	
Employee Benefits Liability	31,000,000	1,000
Terrorism	1,000,000	
Communicable Disease Outbreak	1,000,000	
Section VI - Automobile:		
Bodily Injury and Property Damage	31,000,000	
Uninsured/underinsured	100,000	
Personal Injury Protection	250,000	
Terrorism	1,000,000	
Medical payments	10,000	
Comprehensive and collision	ACU	1,000

Source: District Records

Single Audit Section

Manchester Township School District
Insurance Schedule
Year Ended June 30, 2025
Unaudited

Type of Coverage	Coverage	Deductible
Errors and Omissions:		
Errors and Omissions	$ 30,000,000	$ 15,000
Site Polution:		
Site Polution	11,000,000	50,000
Workers Compensation:		
Employer Liability	3,000,000	
Workers Compensation	3,000,000	
Umbrella Excess Liability:		
Policy aggregate limit of liability-primary	31,000,000	
Umbrella excess liability-secondary	31,000,000	
Environmental Impairment Liability:		
Aggregate limit of liability	1,000,000	10,000
Cyber Security:		
Cyber Crime	12,000,000	
Cyber Extortion		500,000
Security Breach Response		500,000
Security Liability		500,000
Electronic Fraud		500,000
Fidelity Bonds:		
Selective Insurance Company/Utica National Insurance Group:		
Board Secretary/Business Administrator	287,500	

Source: District Records

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 Auditors' Report

**Honorable President and Members
of the Board of Education
Manchester Township School District
County of Ocean
Whiting, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, 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 ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Manchester Township School District, in the County of Ocean, New Jersey (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 03, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 03, 2025

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant, No. 2486

Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
Manchester Township School District
County of Ocean
Whiting, New Jersey**

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Manchester Township School District's, in the County of Ocean, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*), the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Honorable President and Members
of the Board of Education
Manchester Township School District

Page 2

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 federal and state program. Our audit does not provide a legal determination of the District'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 District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 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. Non-compliance 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 District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* the Uniform Guidance and New Jersey OMB Circular 15-08, 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 District'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 District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District'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 federal or 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 federal or 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 federal or 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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 Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 03, 2025

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant, No. 2486

Manchester Township School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024: Unearned Revenue (Accounts Receivable)	Balance at June 30, 2024: Carryover/(Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2025: (Accounts Receivable)	Balance at June 30, 2025: Unearned Revenue	Balance at June 30, 2025: Due to Grantor	Amounts Provided to Subrecipients
General Fund:																
U.S. Department of Health and Human Services - Passed Through State Department of Treasury																
Medicaid Cluster:																
Medical Assistance Program (SEMI)	93.778	2405NJ5MAP	54-7540-100-211	$ 107,054	7/1/2023	6/30/2024	$ (19,946)		$ 19,946							
Medical Assistance Program (SEMI)	93.778	2505NJ5MAP	54-7540-100-211	31,759	7/1/2024	6/30/2025			28,903	$ (31,759)			$ (2,856)			
Subtotal Medical Assistance Program (SEMI)							(19,946)		48,849	(31,759)			(2,856)			
Total General Fund							(19,946)		48,849	(31,759)			(2,856)			
U.S. Department of Education - Passed Through State Department of Education																
Special Revenue Fund:																
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A230030	NCLB-2940-08	623,339	7/1/2023	9/30/2024	(216,986)		216,986							
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A240030	NCLB-2940-08	648,961	7/1/2024	9/30/2025			411,619	(645,645)			(241,192)	$ 7,166		
Subtotal of Title I Part A							(216,986)		628,605	(645,645)			(241,192)	7,166		
Special Education Cluster:																
IDEA Special Education Grants to States	84.027A	H027A230100	FT294009	809,552	7/1/2023	9/30/2024	(82,459)		82,459							
IDEA Special Education Grants to States	84.027A	H027A240100	FT294009	820,057	7/1/2024	9/30/2025			820,057	(820,057)						
IDEA Preschool Grants for Children with Disabilities	84.173A	H173A240114	PS294007	36,410	7/1/2024	9/30/2025			36,410	(36,410)						
Subtotal of Special Education Cluster:							(82,459)		938,926	(856,467)						
Title II, Part A, Supporting Effective Instruction State Grants	84.367A	S367A230029	NCLB-2940-07	132,214	7/1/2023	9/30/2024	(17,729)		17,729							
Title II, Part A, Supporting Effective Instruction State Grants	84.367A	S367A240029	NCLB-2940-07	136,261	7/1/2024	9/30/2025			110,944	(136,261)			(25,317)			
Subtotal of Title II							(17,729)		128,673	(136,261)			(25,317)			
Title III, Immigrant	84.365A	S365A230030	NCLB-2940-07	5,849	7/1/2023	9/30/2024	(322)		322							
Title III, Immigrant	84.365A	S365A240030	NCLB-2940-07	6,496	7/1/2024	9/30/2025			5,600	(6,496)			(896)			
Title III, Part D Language	84.365A	S365A230030	NCLB-2940-07	21,537	7/1/2023	9/30/2024	(1,777)		1,777							
Title III, Part D Language	84.365A	S365A240030	NCLB-2940-07	33,242	7/1/2024	9/30/2025			29,803	(33,242)			(3,439)			
Subtotal of Title III							(2,099)		37,502	(39,738)			(4,335)			
Elementary and Secondary Education:																
COVID-19 ARP ESSER Grant Program	84.425U	S425U210027	22-5120-513	4,294,594	3/13/2020	9/30/2024	(994,114)		992,300	(7,685)	$ 9,499					
COVID-19 ARP Mental Health Support Staffing Grant	84.425U	S425U210027	22-5120-513	88,501	3/13/2020	9/30/2024	(7,890)		8,455	(566)	1					
COVID-19 ARP Accelerated Learning Coach and Educator Support	84.425U	S425U210027	22-5120-513	254,485	3/13/2020	9/30/2024	(152,209)		253,309	(101,100)						
COVID-19 ARP Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	22-5120-513	40,000	3/13/2020	9/30/2024			7,426	(7,426)						
COVID-19 ARP Evidence Based Comprehensive Beyond School Day	84.425U	S425U210027	22-5120-514	40,000	3/13/2020	9/30/2024	(627)		35,480	(34,853)						
Subtotal of Elementary and Secondary School Emergency Relief Funds							(1,154,840)		1,296,970	(151,630)	9,500					
COVID-19 ARP Homeless	84.425W	S425D210027	22-5120-513	20,585	3/13/2020	9/30/2024	(1,071)		1,071							
U.S. Department of theTreasury - Passed Through State Department of Education																
State and Local Fiscal Recovery Funds:																
High-Impact Tutoring-Competitive	21.027	E2400388	N/A	153,985	7/1/23	8/31/2024	(9,446)		33,080	(28,097)			(4,463)			
Total Special Revenue Fund							(1,484,630)		3,064,827	(1,857,838)	9,500		(275,307)	7,166		
U.S. Department of Agriculture–Passed-Through NJ Department of Agriculture																
Enterprise Fund:																
Child Nutrition Cluster:																
Food Donation Program (NC)	10.555	241NJ304N1099	10-3350-106	114,884	7/1/2023	6/30/2024	19,639			(19,639)						
Food Donation Program (NC)	10.555	251NJ304N1099	10-3350-106	110,183	7/1/2024	6/30/2025			110,183	(102,950)				7,233		
National School Lunch Program	10.555	241NJ304N1099	10-3350-026	1,405,051	7/1/2023	6/30/2024	(55,077)		55,077							
National School Lunch Program	10.555	251NJ304N1099	10-3350-026	860,529	7/1/2024	6/30/2025			800,002	(860,529)			(60,527)			
School Breakfast Program	10.553	241NJ304N1099	10-3350-028	399,806	7/1/2023	6/30/2024	(18,772)		18,772							
School Breakfast Program	10.553	251NJ304N1099	10-3350-028	245,038	7/1/2024	6/30/2025			224,876	(245,038)			(20,162)			
Healthy Hunger-Free Kids Act	10.555	241NJ304N1099	10-3350-026	21,166	7/1/2023	6/30/2024	(1,503)		1,503							
Healthy Hunger-Free Kids Act	10.555	251NJ304N1099	10-3350-026	24,567	7/1/2024	6/30/2025			20,352	(24,567)			(4,215)			
Subtotal Child Nutrition Cluster:							(55,713)		1,230,765	(1,252,723)			(84,904)	7,233		
Local Food For Schools (LFS) Cooperative	10.185	231NJ304N1199	N/A	1,450	7/1/2023	6/30/2024	(111)		111							
Local Food For Schools (LFS) Cooperative	10.185	251NJ304N1199	N/A	3,892	7/1/2024	6/30/2025			3,892	(3,892)						
COVID-19 -SEBT Administrative Cost Reimbursement	10.541	2023225900941	10-3350-115	1,556	7/1/2023	6/30/2024	(1,556)		1,556							
COVID-19 -SEBT Administrative Cost Reimbursement	10.541	2024225900941	10-3350-116	1,501	7/1/2024	6/30/2025				(1,501)			(1,501)			
Total Department of Agriculture							(57,380)		1,236,324	(1,258,116)			(86,405)	7,233		
Total Enterprise Fund							(57,380)		1,236,324	(1,258,116)			(86,405)	7,233		
Total Federal Awards							$ (1,561,956)	$ -	$ 4,350,000	$ (3,147,713)	$ 9,500	$ -	$ (364,568)	14,399	$ -	$ -

NC-non cash activity.

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Manchester Township School District

Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2025

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024 Unearned Revenue (Accounts Receivable)	Balance at June 30, 2024 Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 Intergovernmental (Accounts Receivable)	Balance at June 30, 2025 Unearned Revenue/ Interfund Payable	Balance at June 30, 2025 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Transportation Aid	24-495-034-5120-014	1,989,096	7/1/2023	6/30/2024	$ (184,065)		$ 184,065						
Transportation Aid	25-495-034-5120-014	1,989,096	7/1/2024	6/30/2025			1,802,054	$ (1,989,096)				$ (187,042)	$ (1,989,096)
Special Education Categorical Aid	24-495-034-5120-089	2,026,036	7/1/2023	6/30/2024	(187,483)		187,483						
Special Education Categorical Aid	25-495-034-5120-089	2,640,567	7/1/2024	6/30/2025			2,392,347	(2,640,657)				(248,310)	(2,640,657)
Extraordinary Aid	24-495-034-5120-044	1,543,032	7/1/2023	6/30/2024	(1,543,032)		1,543,032						
Extraordinary Aid	25-495-034-5120-044	1,462,703	7/1/2024	6/30/2025				(1,462,703)	$ (1,462,703)				(1,462,703)
Security Aid	24-495-034-5120-084	573,735	7/1/2023	6/30/2024	(53,092)		53,092						
Security Aid	25-495-034-5120-084	573,735	7/1/2024	6/30/2025			519,785	(573,735)				(53,950)	(573,735)
Adjustment Aid	24-495-034-5120-085	783,197	7/1/2023	6/30/2024	(72,474)		72,474						
Adjustment Aid	25-495-034-5120-085	783,197	7/1/2024	6/30/2025			709,550	(783,197)				(73,647)	(783,197)
Other State Aid (NP Transportation Aid)	Not Available	173,194	7/1/2023	6/30/2024	(173,194)		173,194						
Other State Aid (NP Transportation Aid)	Not Available	304,498	7/1/2024	6/30/2025				(304,498)	(304,498)				(304,498)
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	25-495-034-5094-001	2,919,924	7/1/2024	6/30/2025			2,919,924	(2,919,924)					(2,919,924)
On-Behalf- Teachers' Pension & Annuity Fund – Long-Term Disability Insurance	25-495-034-5094-004	9,992,866	7/1/2024	6/30/2025			9,992,866	(9,992,866)					(9,992,866)
On-Behalf Teachers' Pension and Annuity Fund	25-495-034-5094-002	4,535	7/1/2024	6/30/2025			4,535	(4,535)					(4,535)
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	1,956,170	7/1/2023	6/30/2024	(95,884)		95,884						
Reimbursed TPAF Social Security Contributions	25-495-034-5120-034	1,939,365	7/1/2024	6/30/2025			1,843,169	(1,939,365)	(96,196)				(1,939,365)
Menstrual Products	25-495-034-5120-168	3,591	7/1/2024	6/30/2025				(3,591)	(3,591)				(3,591)
Total General Fund					(2,309,224)		22,493,454	(22,614,167)	(1,866,988)			(562,949)	(22,614,167)
Special Revenue Fund:													
Preschool Education Aid	495-034-5120-087	3,209,175	7/1/2023	6/30/2024	(282,467)		320,918	(38,451)					(38,451)
Preschool Education Aid	495-034-5120-087	3,395,700	7/1/2024	6/30/2025			3,736,070	(4,070,752)		$ 4,888		(339,570)	(4,070,752)
Total Preschool					(282,467)		4,056,988	(4,109,203)		4,888		(339,570)	(4,109,203)
Total Special Revenue Fund					(282,467)		4,056,988	(4,109,203)		4,888		(339,570)	(4,109,203)
Debt Service Fund:													
Debt Service Aid	25-495-034-5120-017	165,633	7/1/2024	6/30/2025			151,293	(151,293)					(151,293)
Total Debt Service Fund							151,293	(151,293)					(151,293)
State Department of Agriculture:													
Enterprise Funds:													
Food service:													
School Lunch Program (State Share)	24-495-010-3350-001	32,990	7/1/2023	6/30/2024	(2,541)		2,541						
School Lunch Program (State Share)	25-495-010-3350-001	60,383	7/1/2024	6/30/2025			56,217	(60,383)	(4,166)				(60,383)
School Breakfast Program (State Share)	24-495-010-3350-002	6,459	7/1/2023	6/30/2024	(542)		542						
School Breakfast Program (State Share)	25-495-010-3350-002	11,542	7/1/2024	6/30/2025			10,694	(11,542)	(848)				(11,542)
Summer EBT Administrative Funding	Not Available	1,556	7/1/2023	6/30/2024	(1,556)		1,556						
Summer EBT Administrative Funding	Not Available	1,501	7/1/2024	6/30/2025				(1,501)	(1,501)				(1,501)
Regional Day School:					(4,639)		71,550	(73,426)	(6,515)				(73,426)
State Department of Education:													
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	161,805	7/1/2023	6/30/2024	(7,449)		7,449						
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	162,640	7/1/2024	6/30/2025			154,724	(162,640)	(7,916)				(162,640)
Total Enterprise Fund					(12,088)		233,723	(236,066)	(14,431)				(236,066)
Total state financial assistance					$ (2,603,779)	$ -	$ 26,935,458	$ (27,110,729)	$ (1,881,419)	$ 4,888	$ -	$ (902,519)	$ (27,110,729)
Less: On-Behalf TPAF Pension System Contributions													
General Fund:													
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	25-495-034-5094-001	2,919,924	7/1/2024	6/30/2025			(2,919,924)	2,919,924					2,919,924
On-Behalf- Teachers' Pension & Annuity Fund – Long-Term Disability Insurance	25-495-034-5094-004	4,535	7/1/2024	6/30/2025			(4,535)	4,535					4,535
On-Behalf Teachers' Pension and Annuity Fund	25-495-034-5094-002	9,992,866	7/1/2024	6/30/2025			(9,992,866)	9,992,866					9,992,866
Total State Financial Assistance Subject to Single Audit Major Program Determination					$ (2,603,779)	$ -	$ 14,018,133	$ (14,193,404)	$ (1,881,419)	$ 4,888	$ -	$ (902,519)	$ (14,193,404)

NC-non cash activity

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Manchester Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year Ended June 30, 2025

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial assistance of the Manchester Township School District ("District"). The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made. The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent year due to the state deferral and recording of the last state aid payments in the subsequent

Manchester Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year Ended June 30, 2025

3. Relationship to Basic Financial Statements (Continued)

year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

Accounts Receivable	Budgetary Basis	Less: Encumbrances	GAAP Basis
Federal	$275,307	$2,863	$272,444

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $(65,836) for the general fund and $(18,652) net adjustment required for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	**State**	**Total**
General Fund	$ 31,759	$ 22,548,332	$ 22,580,091
Special Revenue Fund	2,175,382	3,411,773	5,587,155
Debt Service Fund		151,293	151,293
Enterprise Fund/Food Service	1,275,648	73,426	1,349,074
Enterprise Fund/Regional Day School		162,640	162,640
Total financial award revenues	$ 3,482,789	$ 26,347,464	$ 29,826,661

Manchester Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year Ended June 30, 2025

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of social security for TPAF members for the year ended June 30, 2025.

The post retirement pension, medical and long-term disability benefits received on-behalf of the District for the year ended June 30, 2025 amounted to $12,917,325. Since on-behalf post retirement pension, medical and long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08; however, they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District did not use the 10% de minimis indirect cost rate.

7. Adjustments

The adjustments presented on the schedule of federal awards represent cancellation of purchase orders.

Manchester Township School District

Schedule of Findings and Questioned Costs

June 30, 2025

Part I – Summary of Auditors' Results

Financial Statement Section

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Are any material weaknesses identified?	____ Yes	X	No
Are any significant deficiencies identified?	____ Yes	X	None Reported
Is any noncompliance material to financial statements noted?	____ Yes	X	No

Federal Awards

Internal control over major federal programs:			
Are any material weaknesses identified?	____ Yes	X	No
Are any significant deficiencies identified?	____ Yes	X	None Reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X	No

Manchester Township School District

Schedule of Findings and Questioned Costs

June 30, 2025

Part I – Summary of Auditors' Results (continued)

Federal Awards Section (continued)

Identification of major federal programs:

Assistance Listing Number	FAIN	Name of Federal Program or Cluster
		Special Education Cluster:
84.027A	H027A240100	IDEA Special Education Grants to States
84.173A	H173A240114	IDEA Preschool Grants for Children with Disabilities

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ___X___ Yes _______ No

Manchester Township School District

Schedule of Findings and Questioned Costs

June 30, 2025

Part I – Summary of Auditors' Results (continued)

State Financial Assistance

Internal control over major state programs:

Are any material weaknesses identified?		Yes	X	No
Are any significant deficiencies identified?		Yes	X	None reported
Type of auditors' report issued on compliance for major state programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?		Yes	X	No

Identification of major state programs:

State Grant/Project Number(s)	Name of State Program or Cluster
25-495-034-5094-003	Reimbursed TPAF Social Security Contributions
25-495-034-5120-089	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes		No

Manchester Township School District

Schedule of Findings and Questioned Costs

June 30, 2025

Part II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Manchester Township School District

Schedule of Findings and Questioned Costs

June 30, 2025

Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section. 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

Federal Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section. 516(a).

State Financial Assistance Programs

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.