NEW HANOVER TOWNSHIP

SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2025

NEW HANOVER SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS FINANCIAL, COMPLIANCE AND PERFORMANCE

CANNONE AND COMPANY, P.A.
Certified Public Accountants
485 Morris Avenue, Ste 201
Springfield, New Jersey 07081
(973) 379-6868
FAX (973) 379-6278
www.cannonecpa.com

MEMBER:
American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

December 31, 2025

Honorable President and
Members of the Board of Education
New Hanover Township School District
Wrightstown, New Jersey 08562
County of Burlington

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the New Hanover Township School District in the County of Burlington for the year ended June 30, 2025, and have issued our report thereon dated December 31, 2025.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the New Hanover Township School District Board of Education management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the Statistical Section of the District's ACFR.

Adequacy of insurance coverage is the responsibility of the Board of Education.

Official Bonds

Name	Position	Amount
Bernard Biesiada	Board Secretary/School Business Administrator	$175,000
Patrick Collum	Reconciling Agent	$250,000

There is a Public Employees' Dishonesty Policy with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of $250,000.

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the fiscal year of the audit. The Chapter 44 Summary Report was reviewed for reasonableness and timeliness.

The data submitted included all health benefit plans offered by the school district. The school district data certification was completed by the chief administrator and was submitted on a timely basis.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f) 3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account.

Employees' payroll deductions and employer's share of fringe benefits were not always deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Payrolls were delivered to the Treasurer of school moneys with a warrant made to his order for the full amount of each payment.

Employee Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances and Accounts Payable

All encumbrances and accounts payable at June 30, 2025 were properly recorded and classified.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.* 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The Board Secretary's Records were found to be in order, except for the following:

Finding 2025-01:

The budgetary line accounts for Tuition to CSSD and Regional Day Schools were over-expended during the fiscal year and at June 30, despite the Board Secretary's monthly certification to the contrary (N.J.A.C. 6A:23A-16.10).

Recommendations:

Approved budgetary line accounts should not be over-expended. The Board Secretary should not approve the issuance of purchase orders that would cause over-expenditure in the account to be charged, prior to the board approving the requested transfer of additional appropriations to cover such orders.

The Board Secretary should file monthly certifications of the budgetary line item status which are consistent with the actual budgetary records.

Treasurer's Records (optional position)

The Treasurer's Records were found to be in order.

Elementary and Secondary Education Act/Elementary and Secondary Act as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects did not indicate any areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all federal awards for the school to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are $44,000 (with a Qualified Purchasing Agent) and $32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is $20,200 for 2022-23.

Also, effective July 1, 2020, the maximum threshold for quotations for a board of education without a QPA is $4,800; and for a board with a QPA the maximum threshold for quotations is $6,600.

The district board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.
Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A.* 18A:18A-5.

School Food Service

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will either break even, return a profit or incur a loss of not more than a specified amount. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

U.S.D.A. Food Distribution Program (food and/or commodities) were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

Student Body Activities

During our review of the Student Activity Funds, we did not note any areas of non-compliance.

Application for State School Aid

Our audit procedures included a test of information reported in the 2023-2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers. The information that was included on the workpapers was verified. Any errors or exceptions were rectified. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. The results of our procedures are presented in the Schedule of Audited Enrollments. No exceptions were noted.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on the prior year finding.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

BOARD OF EDUCATION
NEW HANOVER TOWNSHIP SCHOOL DISTRCIT
COUNTY OF BURLINGTON
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(MEMORANDUM ONLY)

Program	Meal Category	Meals Claimed	Meals Verified	Difference	Rate	Over/ Under Claim
National School Lunch	Paid	3,924	3,924	0	0.39	$ 0
	Reduced	896	896	0	2.54	0
	Free	9,648	9,648	0	2.84	0
		14,468	14,468	0		$ 0
School Breakfast	Paid	2,197	2,197	0	0.44	$ 0
	Reduced	312	312	0	4.05	0
	Free	5,191	5,191	0	4.45	0
		7,700	7,700	0		$ 0
Total Net (Over)/Underclaim		22,168	22,168	0		$ 0

BOARD OF EDUCATION
NEW HANOVER TOWNSHIP SCHOOL DISTRICT
COUNTY OF BURLINGTON

NET CASH RESOURCE SCHEDULE

Net cash resources did NOT exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2025

			Food Service B - 4/5	
Net Cash Resources:				
ACFR	*	**Current Assets**		
B-4		Cash & Cash Equiv.	$ 6,588.00	
B-4		Due from Other Gov'ts		
B-4		Accounts Receivable	10,725	
B-4		Investments		
ACFR		**Current Liabilities**		
B-4		Less Accounts Payable		
B-4		Less Accruals		
B-4		Less Due to Other Funds		
B-4		Less Deferred Revenue		
		Net Cash Resources	**$ 17,313.00**	**(A)**
Net Adj. Total Operating Expense:				
B-5		Tot. Operating Exp.	126,499	
B-5		Less Depreciation	(1,391)	
		Adj. Tot. Oper. Exp.	**$ 127,890.00**	**(B)**
Average Monthly Operating Expense:				
		B / 10	**$ 12,789.00**	**(C)**
Three times monthly Average:				
		3 X C	**$ 38,367.00**	**(D)**

TOTAL IN BOX A	$ 17,313.00
LESS TOTAL IN BOX D	$ 38,367.00
NET	**$ (21,054.00)**

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

Sheet 1

BOARD OF EDUCATION
NEW HANOVER TOWNSHIP SCHOOL DISTRICT
COUNTY OF BURLINGTON
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. on Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	14	0	14	0	0	0	14	0	14	0	0	0				
Half Day Kindegarten																
Full Day Kindergarten	17	0	17	0	0	0	17	0	17	0	0	0				
One	13	0	13	0	0	0	13	0	13	0	0	0				
Two	22	0	22	0	0	0	22	0	22	0	0	0				
Three	20	0	20	0	0	0	20	0	20	0	0	0				
Four	17	0	17	0	0	0	17	0	17	0	0	0				
Five	17	0	17	0	0	0	17	0	17	0	0	0				
Six	13	0	13	0	0	0	13	0	13	0	0	0				
Seven	18	0	18	0	0	0	18	0	18	0	0	0				
Eight	18	0	18	0	0	0	18	0	18	0	0	0				
Subtotal	169	0	169	0	0	0	169	0	169	0	0	0	0	0	0	0
Special Education:																
Elementary School	9	0	9	0	0	0	9	0	9	0	0	0				
Middle School	7	0	7	0	0	0	7	0	7	0	0	0				
Subtotal	16	0	16	0	0	0	16	0	16	0	0	0	0.0	0.0	0.0	0
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	185	0	185	0	0	0	185	0	185	0	0	0	0.0	0.0	0	0
Percentage Error					0.00%	0.00%					0.00%	0.00%				

BOARD OF EDUCATION
NEW HANOVER TOWNSHIP SCHOOL DISTRICT
COUNTY OF BURLINGTON
SCHEDULE OF AUDITED ENROLLMENTS (CONTINUED)
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool	3	3	0	3	3	0	0	0	0	0	0	0
Half Day Kindergarten												
Full Day Kindergarten	9	9	0	9	9	0	1	1	0	1	1	0
One	6	6	0	6	6	0	0	0	0	0	0	0
Two	10	10	0	10	10	0	4	4	0	4	4	0
Three	9	9	0	9	9	0	2	2	0	2	2	0
Four	8	8	0	8	8	0	2	2	0	2	2	0
Five	8	8	0	8	8	0	0	0	0	0	0	0
Six	4	4	0	4	4	0	2	2	0	2	2	0
Seven	10	10	0	10	10	0	3	3	0	3	3	0
Eight	10	10	0	10	10	0	1	1	0	1	1	0
Subtotal	77	77	0	77	77	0	15	15	0	15	15	0
Special Education:												
Elementary School	8	8	0	8	8	0	1	1	0	1	1	0
Middle School	3	3	0	3	3	0			0			0
Subtotal	11	11	0	11	11	0	1	1	0	1	1	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	88	88	0	88	88	0	16	16	0	16	16	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation

	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
AIL Non-Public	5.0	5.0	0.0	5.0	5.0	0.0
Regular - Public Schools	166.0	166.0	0.0	166.0	166.0	0.0
Regular - Special Education	4.0	4.0	0.0	4.0	4.0	0.0
Transported - Non-Public			0.0			0.0
Special Ed Spec	16.0	16.0	0.0	16.0	16.0	0.0
Totals	191.0	191.0	0.0	191.0	191.0	0.0
Percentage Error						0.00%

	Reported	Re-Calculated
Average Mileage - Regular Including Grade PK students	7.2	7.2
Average Mileage - Regular Excluding Grade PK students	7.2	7.2
Average Mileage - Special Ed with Special Needs	14.0	14.0

BOARD OF EDUCATION
NEW HANOVER TOWNSHIP SCHOOL DISTRICT
COUNTY OF BURLINGTON
SCHEDULE OF AUDITED ENROLLMENTS (CONTINUED)
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindergarten	0	0	0	0	0	0
One	0	0	0	0	0	0
Two	0	0	0	0	0	0
Three	0	0	0	0	0	0
Four	0	0	0	0	0	0
Five	0	0	0	0	0	0
Six	0	0	0	0	0	0
Seven	0	0	0	0	0	0
Eight	1	1	0	1	1	0
Subtotal	1	1	0	1	1	0
Special Education:						
Elementary School	0	0	0	0	0	0
Middle School	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	1	1	0	1	1	0
Percentage Error			0.00%			0.00%

BOARD OF EDUCATION
NEW HANOVER TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2024

SCHEDULE OF AUDITED ENROLLMENTS

Military Connected Students

Reported on A.S.S.A. as Military Connected Students	Sample for Verification	Sample Verified	Sample Errors
18	18	18	0

NEW HANOVER TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
As of June 30, 2025

Section 1

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR	$	7,574,622
Decreased by:		
On-Behalf TPAF Pension & Social Security	$	897,793
Assets Acquired under Capital Leases		-
Adjustment for Disallowed Expenditures per S1701		
Adjusted 23-24 General Fund Expenditures	$	6,676,829
2% of Adjusted 2024-25 General Fund Expenditures	$	133,537
The greater of $250,000 or 2% of Adjusted General Fund Expenditures		250,000
Increased by Allowable Adjustment		721,490
Maximum Unreserved/Undesignated Fund Balance	$	971,490

Section 2

Total General Fund Balances @ 06/30/25	$	2,302,641
Decreased by:		
Year-end Encumbrances	$	-
Legally Restricted - Excess Surplus- Designated for Subsequent Year's Expenditures		-
Other Restricted Fund Balances		1,456,485
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures		607,794
Assigned Fund Balance - Unreserved - Designated for Impact Aid Reserve		
Assigned Fund Balance - Unreserved - Designated for Maintenance Reserve		-
Total Unassigned Fund Balance	$	238,362
Increased by:		
Adjustment for Disallowed Transfers per S1701	$	
Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation	$	238,362

Section 3

Restricted Fund Balance - Excess Surplus	$	(733,128)

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus -- Designated for Subsequent Year's Expenditures	$	-
Reserved Excess Surplus		-
Total	$	-

Detail of Allowable Adjustments

Impact Aid	$	719,155
Sale and Lease-back		
Extraordinary Aid		
Additional Non Public School Transportation Aid		2,335
Unbudgeted TPAF Wage Freeze Grant Funding		
Higher Expectations for Learning and Proficiency Aid		
Total Adjustments	$	721,490

Detail of Other Restricted Fund Balance

Statuatory Restrictions:		
State Military Impact Aid received in July	$	17,606
Capital Outlay for a district with a Capital Outlay cap waiver		
Maintenance of Equity(MOEQ)		
Capital Reserve		591,545
Maintenance Reserve		131,462
Emergency Reserve		
Tuition Reserve		
Impact Aid Reserve		715,872
Other State/Government Mandated Reserve		
		1,456,485
[Other Restricted Fund Balance not noted above]		-
Total Other Restricted Fund Balance	$	1,456,485

New Hanover Township School District
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2025

Recommendations:

1. Administrative Practices and Procedures

   None

2. Financial Planning. Accounting and Reporting

   Recommendations (2025-01):

   Approved budgetary line accounts should not be over-expended. The Board Secretary should not approve the issuance of purchase orders that would cause over-expenditure in the account to be charged, prior to the board approving the requested transfer of additional appropriations to cover such orders.

   The Board Secretary should file monthly certifications of the budgetary line item status which are consistent with the actual budgetary records.

3. School Purchasing Programs

   None

4. School Food Service

   None

5. Student Body Activities

   None

6. Application for State School Aid

   None

7. Pupil Transportation

   None

8. Facilities and Capital Assets

   None

9. Miscellaneous

   None

10. Status of Prior Year Audit Findings/Recommendations

    A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.