



STATE OF NEW JERSEY

DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: November 19, 2025
To: Local Educational Agency Leads
Route To: School Business Administrators/Board Secretaries, Public School Accountants/Public School Auditors
From: Thomas McMahon, Director
Office of Fiscal Policy and Planning
Division of Finance and Business Services
Deadline: December 5, 2025

Updates on Fiscal Year 2024-2025 Audit Reports

This memorandum provides local educational agencies (LEAs), public school accountants, and public school auditors important updates regarding submission of Fiscal Year 2024-2025 audit reports.

Key Deadlines and Flexibilities

Except as specified under the flexibilities detailed below, pursuant to N.J.S.A. 18A:23-1 et seq. LEAs must submit Fiscal Year 2024-2025 audit reports to the Department by December 5, 2025. This includes submission of the ACFR, AMR, and the certification AudSum data.

To account for federal delays in the publication of the 2025 edition of Office of Management and Budget 2 CFR Part 200 Appendix XI Compliance Supplement – the 2025 Compliance Supplement has not yet been published as of the release of this memorandum – the Department is providing the following flexibilities:

- LEAs may omit from their audit reports submitted by December 5, 2025 any portions that rely on the 2025 Compliance Supplement. Audit report submissions must identify those impacted portions. Such omissions, in and of themselves, will not result in any penalties otherwise associated with late audit submissions.
- Following publication of the 2025 Compliance Supplement, the Department will inform LEAs and public school auditors of the deadline by which they must update and complete their audit reports, if necessary.

LEAs are further advised that on November 13, 2025, Governor Murphy conditionally vetoed legislation (A-5847 / S-4608) concerning annual school district audits. The conditional veto, if enacted, would, in part:

- Maintain traditional audit report deadlines;
- Codify the Commissioner of Education's authority to allow additional time for LEAs or accountants to submit portions of their audit reports if federal or other entities are delayed in furnishing necessary information; and

- Empower the Commissioner of Education to provide limited audit deadline and other flexibilities under certain extenuating circumstances causing hardship for LEAs or accountants.

The flexibilities detailed above regarding omission of audit sections reliant on the 2025 Compliance Supplement are effective as of the publication of this memorandum and do not rely on enactment of that conditional veto. All other audit requirements, including the December 5, 2025 submission deadline, remain in place. Should that conditional veto be enacted and warrant any additional flexibilities beyond those specified by this memorandum, the Department will advise LEAs and public school auditors accordingly.

Audit Summary

The Audit Summary Application (AudSum) is the New Jersey Department of Education's (NJDOE) web application through which every LEA must submit certified fiscal data. The web application for the year ended June 30, 2025, was made available for use on September 24, 2025, and as of that date school district certified public accountant firms have been able to enter data.

AudSum data is utilized by the NJDOE for many critical purposes, such as budget planning, the Taxpayer's Guide to Education Spending, indirect cost rate calculations, Certified Tuition Rates, and reporting to the National Center for Education Statistics.

Key Steps/Actions Related to AudSum

Authorized public school staff and independent public-school auditors' access AudSum through the NJDOE's [Homerroom](#) website. Independent public-school audit firms are advised that completion of the system registration process is required before entry into the application will be permitted. Repeat registration is not required. However, once registered, all independent public-school auditors must annually obtain a unique PIN for access to each individual AudSum associated with the public-school audit client list.

For the fiscal year that ended June 30, 2025, New Jersey school districts must comply with the Federal Every Student Succeeds Act (ESSA) requirement to annually include per-pupil expenditures of federal, state, and local funds for each school in the district within the school district's electronic "Report Card." Beginning with the year that ended June 30, 2018, the collection of annual unaudited school level spending was collected through the AudSum "School Level Expenditures" screen.

The NJDOE will utilize the district-reported data to generate "School Level Spending" reports meeting the minimum requirements of ESSA. This data is unaudited, and therefore only school district users are authorized to certify the accuracy and completeness of data entered to the "School Level Expenditures" screen. The school district will have the option to upload expenditure data into AudSum, or to manually enter each school's expenditures into AudSum.

In addition, pursuant to federal reporting requirements, NJDOE must annually report school-level expenditures to the U.S. Department of Education. The mandatory reporting includes cost centers that were previously excluded from the per-pupil expenditures report referenced above. To comply

with this requirement, school districts must track all expenditures at the school-level except for expenditures for debt repayment or capital outlay. The NJDOE has published a “Technical Manual” and an “Audit Summary Worksheet” listing each available line item for 2024-2025. These documents are available by selecting the links on the NJDOE’s [Audit Summary Application](#) webpage.

AudSum data will be preloaded into the 2026-2027 school district budget software. The school business administrator/board secretary in each LEA is ultimately responsible for the timely submission of the school certified and independent public school auditor certified AudSum data to the NJDOE.

Contact Information

Please email questions regarding the AudSum to audsum@doe.nj.gov.

c: Members, State Board of Education
 NJDOE Senior Staff
 Statewide Parent Advocacy Network
 Garden State Coalition of Schools
 NJ LEE Group