



School District of the City of Niagara Falls, New York

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New York State Education Department
Office of Audit Services
Attn: Mr. James Kampf, Director
89 Washington Avenue, EB 524
Albany, NY 12234

April 23, 2026

Dear Mr. Kampf,

The City School District of the City of Niagara Falls (District) has reviewed the final audit report (ESF-0923-02) dated February 19, 2026, conducted by the New York State Education Department, (Auditors) for the period March 13, 2020 through September 30, 2023.

While the District acknowledges the findings of the audit, the District maintains that it was a good steward of the Federal funds that were awarded during an unprecedented global pandemic with ever-changing guidance provided on how to expend such awards.

The total amount of the funds that were audited during the period was \$17,881,975. The costs questioned by auditors (\$27,202) were included in the equitable services to 25 non-public schools in the amount of \$171,879. These funds were included in the \$4,471,940 allocation of ESSER I/GEER I funds that the District was awarded in April of 2020 and received during the 2020-2021 school year as a part State Aid.

During this period, the District engaged in timely and meaningful ongoing consultation with all 25 non-public schools and had written affirmation with all non-public school officials.

Following, please find the District's responses to the findings of the auditors, together with corrective actions that have or will be taken, and completion dates for implementation.

Audit Finding #1 – Time and Attendance

1. The District did not maintain time and effort certification documentation on file for all staff paid from a federal grant in accordance with their time and effort reporting requirements for federal funds and the District's certification forms were not in compliance with Uniform Guidance.

Implementation Plan of Action:

Once the District was made aware of the recommendations to change the District's existing Time and Attendance Certification Form in October of 2023, certification forms were immediately amended to include the time period, and the complete Federal grant name. These amended certification forms have been in use since December 2023. The forms are now completed twice a year, in December, and in June, upon completion of the grant work during

the specified period. These new forms were provided to the auditors in January 2024; however, this item remains a finding.

Implementation Date:

December 2023

Individuals Responsible:

Administrator for School Business Services

Audit Finding #2 - Procurement

2. The District did not ensure purchases were made in accordance with Uniform Guidance or their own written policies and procedures, and lacked internal controls to ensure necessary documentation required was maintained for all purchases.

Implementation Plan of Action:

The District will ensure that the individual and aggregate thresholds are considered in the procurement process and that all required documentation is on file including verbal and written quotes.

Implementation Date:

April 2026

Individuals Responsible:

Purchasing Agent and Administrator for School Business Services

Audit Finding #3 – Asset Management and Inventory

3. The District did not properly monitor and account for technology materials, supplies, and equipment that we tested in accordance with Uniform Guidance and maintained incomplete and inaccurate inventory records. Additionally, District officials did not arrange for an annual physical inventory of all assets, as required by their policies and procedures, nor provide documentation that a bi-annual inventory was conducted for compliance with Uniform Guidance.

Implementation Plan of Action:

The District engaged an independent consultant to conduct an onsite physical inventory in August of 2024. This practice will continue biannually. The District will also begin conducting an annual inventory and reconciling the results to the internal asset listing. There is now one comprehensive asset listing that includes the District inventory, the inventory purchased with funds allocated to the non-public schools, and all information technology inventory.

Implementation Date:

August 2024

Individuals Responsible:

Administrator for School Business Services

Audit Finding #4 Recommendations – Equitable Services

4. The District did not effectively manage and account for equitable services to non-public schools in accordance with the CARES Act §18005(a) and §18005(b). Additionally, payments to 17 non-public schools and three other public agencies (LEAs) were determined to be unallowable resulting in questioned costs of \$27,202.

District Response

The District did request purchase information and inventory listings from LEAs who were given non-public monies. However, not all LEAs complied with District requests. Given the lack of guidance at the time, the District did not believe it was making unallowable payments.

Per the NYSED Q&A document regarding Pre-award costs, ESSER and GEER funds were allowed to be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. Non-public schools purchases submitted to the District for reimbursement fell within the approved expenditure period, but before the District received its allocation and award. The District determined that it was acceptable to reimburse for those allowable expenses (which were primarily cleaning supplies, PPE, and storage fees to house excess desks and student furniture) so the non-public school could safely return students to the classroom and comply with social distancing regulations.

Despite repeated efforts to get non-public schools to provide purchase requests to utilize remaining funds owed to them through the ESSER and GEER awards, several had unused monies during the final stages of the grant funding period. At that time due to the minimal amounts remaining, the District chose to release those funds directly to the non-public schools. The District made a conscious good faith effort to interpret guidance, and determine the best way to handle the remaining funds, opting to deliver the funds to the non-public schools.

Implementation Plan of Action:

The District will contact the Office of ESSA-funded services for instructions and will submit a revised Final Expenditure Report.

Implementation Date:

May 2026

Individuals Responsible:

Administrator for School Business Services

Respectfully,



Mark Laurrie
Superintendent