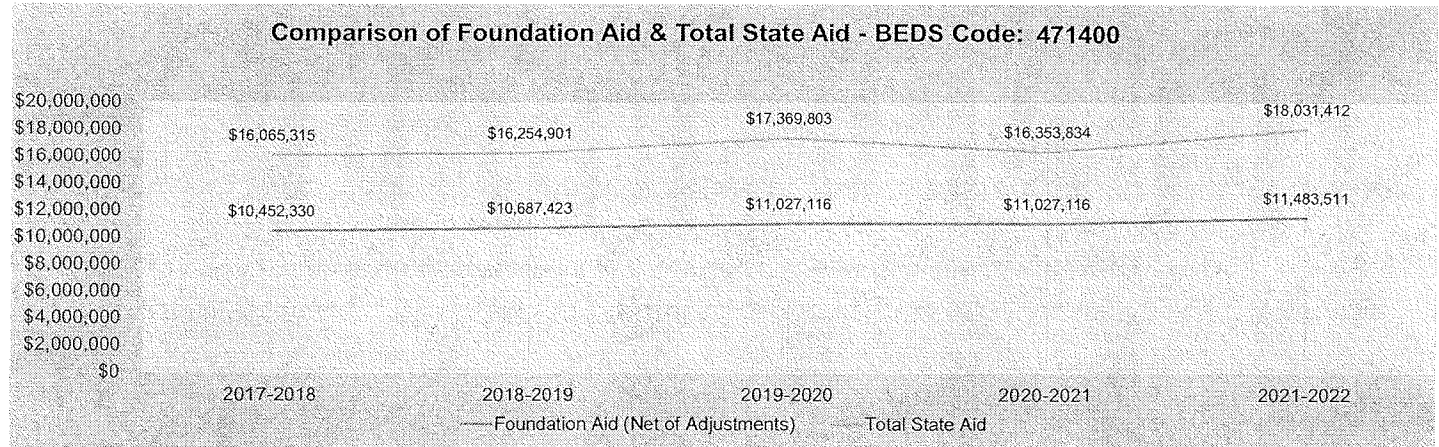


MULTIYEAR STATE AID PROJECTIONS					
Oneonta	ENTER 6-DIGIT BEDS CODE HERE				471400
AIDS PAYABLE UNDER SECTION 3609 PLUS OTHER AIDS					
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Foundation Aid	\$10,452,330	\$10,687,423	\$11,027,116	\$11,027,116	\$11,483,511
Pandemic Adjustment (2020-21)	0	0	0	(429,769)	0
Federal CARES Restoration (2020-21)	0	0	0	429,769	0
Charter School Transitional	0	0	0	0	0
High Tax Aid	0	0	0	0	0
Transportation Aid (Reg. & Summer)	705,481	741,710	809,374	875,483	1,067,943
Building Aid (Reg. & Reorg.)*	2,289,587	2,227,297	2,916,583	2,038,639	2,543,263
Operating Reorg Incentive Aid	0	0	0	0	0
Special Services Aid (Combined)	0	0	0	0	0
BOCES Aid	1,369,664	1,295,662	1,263,417	1,422,263	1,595,019
Public EC High Cost Aid	366,600	437,682	394,516	293,355	284,824
Private Excess Cost Aid	440,900	420,518	513,985	248,560	620,194
Hardware & Technology Aid	25,233	26,371	26,882	28,193	26,503
Software, Library Materials & Textbook Aid	140,237	142,955	142,647	144,942	134,872
Full Day K Conversion	0	0	0	0	0
Univ Prekindergarten Aid	275,283	275,283	275,283	275,283	275,283
Supplemental Pub Excess Cost	0	0	0	0	0
Academic Enhancement Aid	0	0	0	0	0
<b>Total Aid</b>	<b>\$16,065,315</b>	<b>\$16,254,901</b>	<b>\$17,369,803</b>	<b>\$16,353,834</b>	<b>\$18,031,412</b>

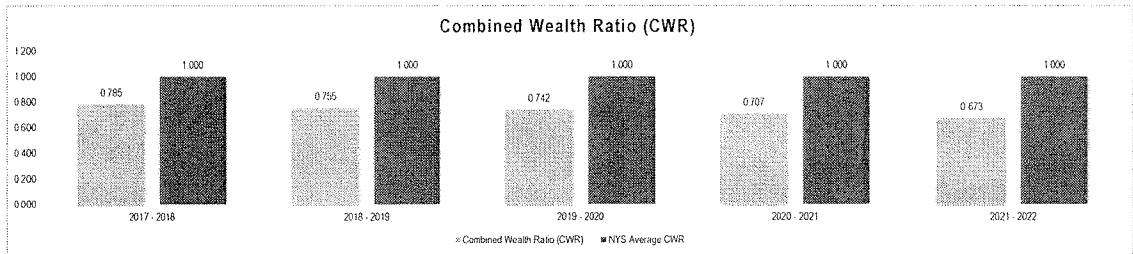
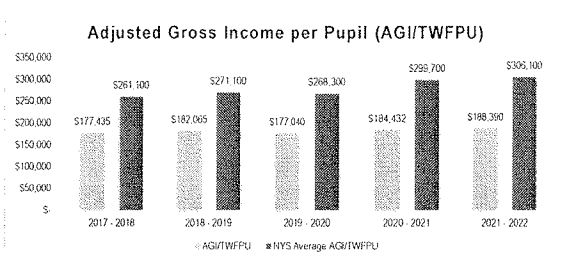
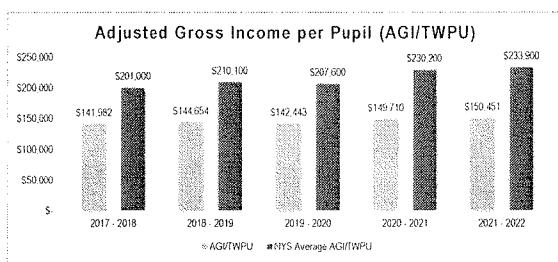
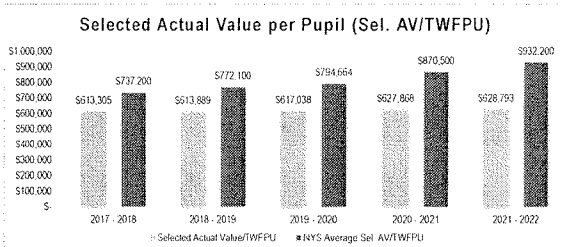
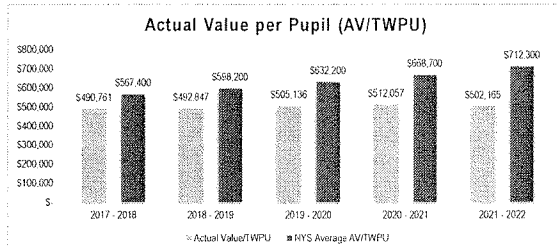


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Data as of Enacted Budget (except for 2010-2011 data which is based on Present Law)

\*The methodology for projecting Building Aid changed for 2020-21. Prior to 2020-21 any Chapter 97 building project (post 6/30/2011 voter approval date) would project aid upon a timely filing of a SA-139. For 2020-21 and thereafter, Chapter 97 building projects with a SA-139 on file with SED, but lacking the FCR and CSC, would no longer project building aid.

MULTIYEAR STATE AID FACTORS					
Oneonta	ENTER 6-DIGIT BEDS CODE HERE				471400
WEALTH MEASURES AND SELECTED AID RATIOS					
	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
Actual Value	\$1,021,766,157	\$1,043,357,776	\$1,080,487,708	\$1,090,683,076	\$1,089,699,802
Selected Actual Value	\$1,021,766,157	\$1,032,561,966	\$1,061,922,742	\$1,085,585,392	\$1,089,699,802
Actual Value/TWPU	\$490,761	\$492,847	\$505,136	\$512,057	\$502,165
NYS Average AV/TWPU	\$567,400	\$598,200	\$632,200	\$668,700	\$712,300
Selected Actual Value/TWFPFU	\$613,305	\$613,889	\$617,038	\$627,868	\$628,793
NYS Average Sel. AV/TWFPFU	\$737,200	\$772,100	\$794,664	\$870,500	\$932,200
Adjusted Gross Income (AGI)	\$295,608,351	\$306,233,515	\$304,686,634	\$318,883,172	\$326,480,148
AGI/TWPU	\$141,982	\$144,654	\$142,443	\$149,710	\$150,451
NYS Average AGI/TWPU	\$201,000	\$210,100	\$207,600	\$230,200	\$233,900
AGI/TWFPFU	\$177,435	\$182,065	\$177,040	\$184,432	\$188,390
NYS Average AGI/TWFPFU	\$261,100	\$271,100	\$268,300	\$299,700	\$306,100
Combined Wealth Ratio (CWR)	0.785	0.755	0.742	0.707	0.673
NYS Average CWR	1.000	1.000	1.000	1.000	1.000
Public Excess Cost Aid Ratio	0.600	0.615	0.622	0.640	0.657
Private Excess Cost Aid Ratio	0.883	0.887	0.889	0.894	0.900
Basic Contribution	\$11,878	\$11,906	\$12,095	\$12,238	\$13,389
Transportation Aid Ratio	0.630	0.652	0.664	0.692	0.719
BOCES Aid Ratio (Admin & Services)	0.598	0.598	0.608	0.626	0.655
Current RWADA Aid Ratio	0.578	0.590	0.608	0.626	0.655
Millage Ratio	0.598	0.598	0.590	0.596	0.606



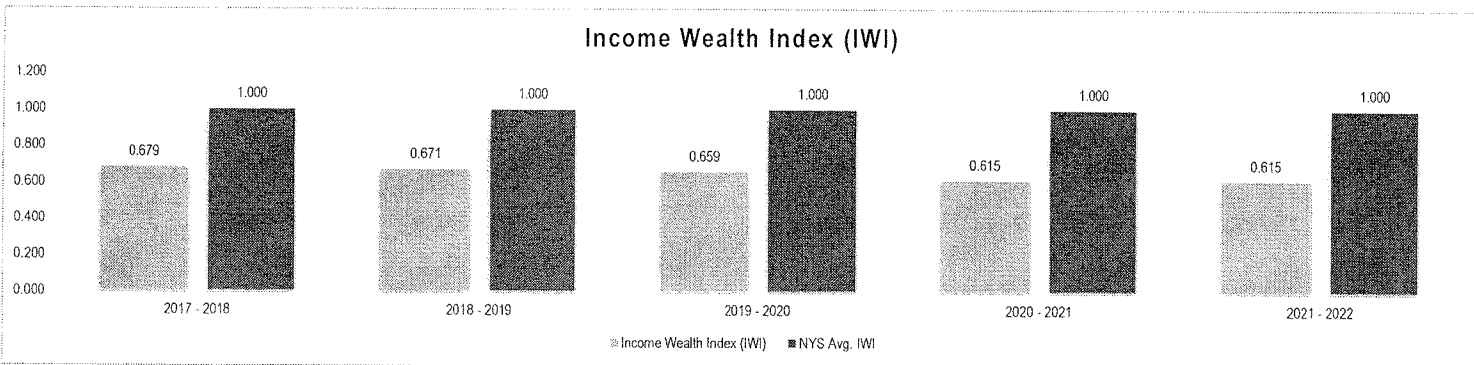
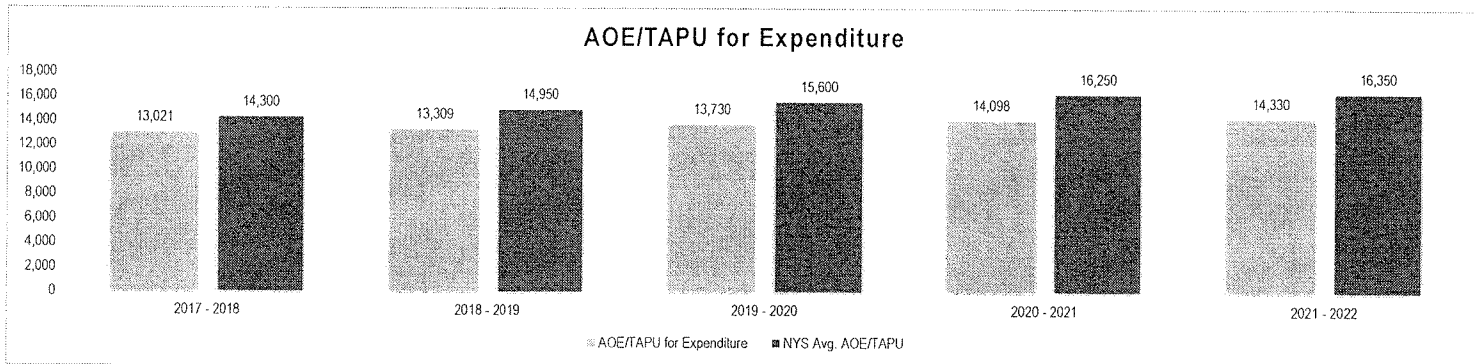
ONEONTA STATE AID FACTORS						
Oneonta					BEDS Code	471400
<b>BUILDING AID RATIOS</b>						
	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	
<u>Tier 1: Voter Approval &lt; 07/01/1998 (BLD)</u>						
Tier 1 Selected Building Aid Ratio	0.710	0.710	0.710	0.710	0.710	
<u>Tier 2: Voter Approval between 07/01/1998 - 06/30/2000 (BLD 10)</u>						
Tier 2 Selected Building Aid Ratio (includes Incentive Decimal)	0.810	0.810	0.810	0.810	0.810	
<u>Tier 3: Voter Approval between 07/01/2000 - 06/30/2005 (BLD 3)</u>						
Tier 3 Selected Building Aid Ratio (includes Incentive Decimal)	0.687	0.690	0.708	0.726	0.755	
<u>Tier 4: Voter Approval &gt;= 07/01/2005 (BLD 4)</u>						
Tier 4 Selected Building Aid Ratio (includes Incentive Decimal & HNSBAR)	0.687	0.690	0.708	0.726	0.755	

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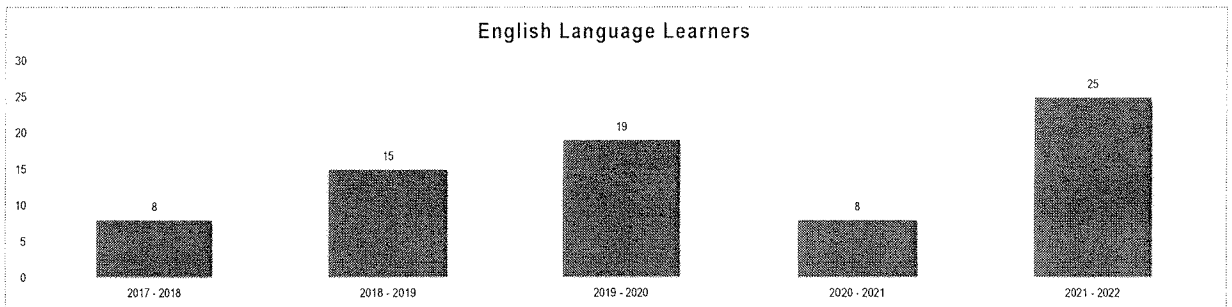
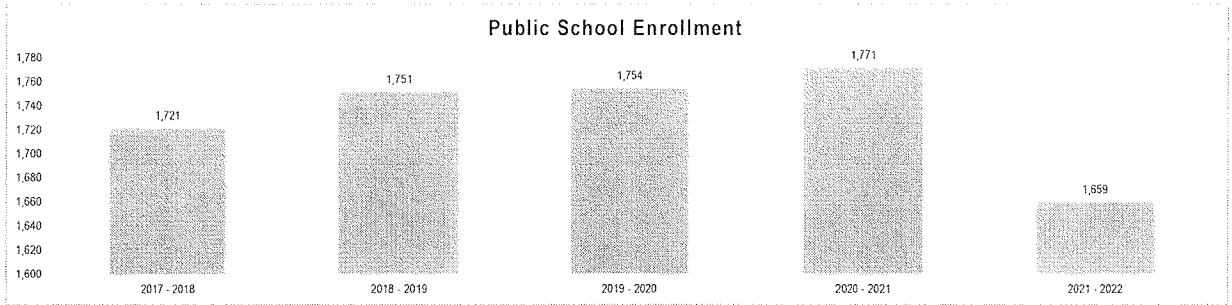
MULTIPLE STATE AID FACTORS						
Oneonta	BEDS Code					471400
STUDENT NEED INDICATORS						
	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	
2000 Census Poverty %	0.1879	0.1879	0.1879	0.1879	0.1879	
3-Year Average Free and Reduced Price Lunch % (FRPL)	0.4410	0.4712	0.4423	0.3709	0.2833	
Extraordinary Needs %	0.4110	0.4330	0.4150	0.3650	0.3140	

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MUNICIPAL FINANCES						
Oneonta	OTHER STATE AID FACTORS				BEDS Code	471400
	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	
AOE/TAPU for Expenditure	13,021	13,309	13,730	14,098	14,330	
<b>NYS Avg. AOE/TAPU</b>	<b>14,300</b>	<b>14,950</b>	<b>15,600</b>	<b>16,250</b>	<b>16,350</b>	
High Cost Threshold	39,063	39,927	41,190	42,294	42,990	
Pupil Need Index	1.411	1.433	1.415	1.365	1.314	
Regional Cost Index	1.045	1.045	1.045	1.045	1.045	
Income Wealth Index (IWI)	0.679	0.671	0.659	0.615	0.615	
<b>NYS Avg. IWI</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	
Foundation Aid State Sharing Ratio	0.486	0.513	0.522	0.536	0.563	



PUPIL COUNTS					
	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
TWPU	2,082	2,117	2,139	2,130	2,170
TWFPU	1,666	1,682	1,721	1,729	1,733
TAFPU (Base Year)	2,182	2,133	2,166	2,188	2,164
TAFPU (Current Year)	2,127	2,164	2,163	2,166	2,063
Selected TAFPU	2,155	2,164	2,165	2,177	2,114
RWADA	1,755	1,758	1,793	1,781	1,808
Public School Enrollment (Est.)	1,721	1,751	1,754	1,771	1,659
English Language Learners (Est.)	8	15	19	8	25
Textbook Pupil Count	1,750	1,781	1,783	1,810	1,706
Software, Library Materials and Hardware Pupil Count	1,804	1,847	1,827	1,861	1,672



## Foundation Aid History, 2007-08 through 2021-22

471400

ENTER 6- DIGIT BEDS CODE HERE (Don't know it? Click on the "BEDS Code List" tab)

School District: Oneonta

County: Otsego

Enacted State Budget/School Year	Formula Base	Current Year Aid	Full Phase-in Level (Total Foundation Aid)
2007-08	\$8,692,139 <sup>(1)</sup>	\$9,380,309	\$12,132,992 <sup>(1)</sup>
2008-09	\$8,692,139 <sup>(1)</sup>	\$9,841,250	\$11,756,435 <sup>(1)</sup>
2009-10	\$8,692,139 <sup>(1)</sup>	\$9,848,582	\$12,459,249 <sup>(2)</sup>
2010-11	\$8,692,139 <sup>(1)</sup>	\$9,848,582	\$12,374,946 <sup>(2)</sup>
2011-12	\$9,848,582 <sup>(2)</sup>	\$9,848,582	\$11,064,601 <sup>(3)</sup>
2012-13	\$9,848,582 <sup>(3)</sup>	\$9,907,673	\$11,001,552 <sup>(3)</sup>
2013-14	\$9,907,673 <sup>(4)</sup>	\$9,937,396	\$10,692,425
2014-15	\$9,937,396 <sup>(5)</sup>	\$10,021,863	\$10,728,752
2015-16	\$10,021,863 <sup>(6)</sup>	\$10,058,943	\$10,345,644
2016-17	\$10,058,943 <sup>(7)</sup>	\$10,117,190	\$10,259,077
2017-18	\$10,113,527 <sup>(8)</sup>	\$10,452,330	\$9,917,375
2018-19	\$10,452,330 <sup>(9)</sup>	\$10,687,423	\$10,900,371
2019-20	\$10,687,424 <sup>(10)</sup>	\$11,027,116	\$11,219,723
2020-21	\$11,027,116 <sup>(11)</sup>	\$11,027,116	\$11,376,524
2021-22	\$11,027,116 <sup>(12)</sup>	\$11,483,511	\$11,304,256

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## Lisa Weeks

---

**From:** John Tamburello <John.Tamburello@questar.org>  
**Sent:** Thursday, October 21, 2021 4:03 PM  
**To:** Lisa Weeks  
**Subject:** RE: Foundation Aid'

[EXTERNAL]This email has been received from an external source. Please use extra caution before opening attachments or following links.

Lisa,

Formula Base = prior Foundation Aid paid (2020-21 FA for 2021-22)  
Current Year Aid = projected Foundation Aid (2021-22 FA to be paid in 2021-22)  
Full Phase-In Level (Total Foundation Aid) = the calculated Foundation Aid per the formula

In Oneonta's case, 2021-22 is a year that your funding level exceeded the formula amount. \$11,483,511 for Current Year Aid vs. \$11,304,256 for the Formula Aid Amount. There hasn't been any talk of the State making up the underfunding in prior years. To do so would probably bankrupt the State on NYC Schools alone. For those districts that appear to be "underfunded" in the future the State has proposed making up the deficiency in installments with 50% of the deficiency being paid in 2022-2023 and the remainder paid in 2023-2024.

John Tamburello  
State Aid & Financial Planning Service  
Questar III BOCES, 10 Empire State Blvd., Castleton, NY 12033  
Phone: 518-477-2635  
Fax: 518-477-4284

**From:** Lisa Weeks <lweeks@oneontacsd.org>  
**Sent:** Thursday, October 21, 2021 3:41 PM  
**To:** John Tamburello <John.Tamburello@questar.org>  
**Subject:** Foundation Aid'

**CAUTION: This email originated from outside of the organization. If the sender's address appears to originate from Questar.org, please use caution and report it as phishing.**

Hi John,

I'm sure you're getting a bunch of these questions so add our district to the pile! I used the resource that Questar has provided detailing our Foundation Aid history but I'm not quite sure what it means. I'm trying to get an idea of what the new settlement means to our district. Do you know if it is retroactive and can you tell me what each of these columns mean? I see the explanation in the notes but I don't understand it.

For example, for 2021-22, I see our base is \$11,027,116. Is that "base" the Governors proposal amount? Our current year aid is obviously what we are receiving. In the Full Phase-In level column, does that mean that's what we would receive if the formula was running? If so, it looks like we are overfunded this year. Is that correct? If it is retroactive, then I would assume that we would receive the net of what we were underfunded and what we were overfunded since 2007-08?

Thanks,

Lisa Weeks  
Business Manager  
Oneonta City School District



To: Oneonta City School District Board of Education

From: Lisa Weeks, Business Manager

Date: November 17, 2021

RE: EBLAR Reserve/Fund Balance Adjustment

The following fund balance adjustment is being submitted for your review and approval to adjust the Employee Accrued Liability Reserve Fund for contractual payouts due as a result of retirement. Retirement payment liability in 2019-2020 totaled \$416,866 and in 2020-2021 totaled \$563,267. The district budgets \$130,000 each year to cover these liabilities. The value of compensated absences as of June 30, 2021 was \$2,321,696. The Finance/Audit Committee has reviewed this information and is recommending an **increase** to the EBLAR Reserve in the amount of \$600,000. The current value of this Reserve is \$110,855. Withdrawal of funds from this reserve requires Board approval. This increase in the Reserve will be funded by Unreserved, Unappropriated Fund Balance in excess of 4%.

Increase Employee Benefit Accrued Liability Reserve (credit) – A867 EBLAR Reserve	\$600,000
Decrease Unreserved Fund Balance (debit) - A909	\$600,000

**RESERVE FUNDS THAT MAY BE USED BY NEW YORK SCHOOL DISTRICTS**

<b>Reserve Name/ Account Code</b>	<b>Legal Citation</b>	<b>Purpose</b>	<b>Established By:</b>	<b>Funding Source(s)</b>	<b>Expenditures</b>	<b>Duration</b>	<b>Restrictions</b>
Employee Benefit Accrued Liability Reserve  (A 830)	GML §6-p	To pay accrued benefits due employees upon termination of service for vacation, sick leave, personal leave etc.	BOE Resolution	Budgetary Approp. or other funds that may be legally appropriated or funds from other reserves authorized in the GML, subject to permissive referendum.	Separate BOE authorization not required to spend from this reserve.	No Limit.	Upon termination by BOE, balance not required to satisfy all incurred or accrued liabilities may be transferred to any other reserve fund(s) authorized in the General Municipal Law (GML). May not be used to fund health or other post retirement benefits.
Tax Certiorari Reserve  (A 864)	Ed. Law §3651(1-a)  (S)	To pay judgments & claims in tax certiorari proceedings per RPTL, Article 7	BOE Resolution	Budgetary Approp. or other funds that may be legally appropriated. Monies held in reserve may not exceed amount necessary to meet anticipated judgments & claims	Separate BOE authorization not required to spend from this reserve.	No Limit	\$ not expended for judgments & claims in the year deposited, must be returned to General Fund on or before 1 <sup>st</sup> day of the 4 <sup>th</sup> school yr. after deposit of such monies into the reserve unless claim(s) are still open and not finally determined or otherwise terminated or disposed of after the exhaustion of all appeals.
Repair Reserve  (A 882)	GML §6-d  (S)	To pay the cost of repairs (that do not recur annually) to capital improvements and equipment	BOE Resolution	Voter approval required to fund this reserve.	Public hearing required (except in an emergency) before spending from this reserve.	No Limit	Reserve must be repaid over next two school yrs. if expenses are made without holding a public hearing. Emergency spending requires 2/3 majority vote of BOE. Legal notice required 5 days in advance of hearing. Unneeded balance may be transferred to Capital, Tax Certiorari or Retirement Contribution Reserves.
Capital Reserve  (A 878)	Ed. Law §3651  (S)	To pay the cost of any object or purpose for which bonds may be issued	Voter Approval Only	Proposition(s) put before voters must specify purpose(s), ultimate \$ amount(s) to be deposited into reserve(s), probable term(s) or life/lives and source(s) of funds to be deposited into the reserve(s).	Voter approval required to spend from these reserve(s). Annual approp(s). to fund reserve(s) require voter approval.	Limited to term or life approved by voters. Voters may extend term only before end date. Reserve(s) defunct after term(s) expire, except to spend remaining funds w/ voter approval.	Purpose must be specific i.e. to purchase school buses, facility construction, equipment etc. Total exp. over life of each reserve may not exceed voter-approved maximum. Funds may be transferred to other reserves only with voter approval. Voter approval required to terminate reserve before specified expiration date. Remaining funds must first be applied to district's outstanding bonded indebtedness and secondarily to reduce the tax levy.
Mandatory Reserve for Debt Service  (A 884) (V 884)	GML §6-1  (S)	To cover debt service payments on outstanding obligations (bonds, BANS) after the sale of district capital assets or improvements	BOE Resolution BOE must establish if	Proceeds from the sale of capital assets and improvements as defined in GML § 6-c. Includes but not limited to land, buildings, equipment and vehicles	For debt service only or to retire outstanding obligations	Terminates once outstanding obligations are repaid.	Applicable State or Federal Aid must also be deposited into the reserve fund if proceeds from sale are not sufficient to repay all outstanding obligations. Proceeds of sale in excess of indebtedness may be expended for any other lawful district purpose.
Reserve for Tax Reduction  (A 891)	Ed. Law §1604(36) §1709(37)	To allow for the gradual use of proceeds from the sale of district real property	BOE Resolution	Proceeds from the sale of real property in excess of what is required to repay outstanding debt (Bonds, BANS)	\$'s from reserve to be appropriated annually over ten or fewer yrs. to offset tax levy	Up to ten yrs.	Proceeds of must be placed in Mandatory Reserve for Debt Service in amount necessary to retire all outstanding obligations before BOE may establish Reserve for Tax Reduction.
Reserve for Encumbrances  (A 821)	NA	Allows outstanding encumbrances remaining at the end of a school yr. to be carried over to the next school year.	BOE resolution not required.	Revenue from prior school year.	Separate BOE authorization not required to spend from this reserve.	Until such obligations are encumbered in the subsequent school yr.	Encumbrances should represent bona fide obligations.

(S) in legal citation column indicates requirement for separate bank account per OSC Financial Management Guide.

*NOTE: Reserve for Inventory (A 845) may be established to limit maximum investment in inventory and to restrict that portion of fund balance, which is not available for appropriation.*

**RESERVE FUNDS THAT MAY BE USED BY NEW YORK SCHOOL DISTRICTS**

Reserve Name/ Account Code	Legal Citation	Purpose	Established By:	Funding Source(s)	Expenditures	Duration	Restrictions
Retirement Contribution Reserve Fund  (A 827)	GML §6-r	To fund employer retirement contributions. i.e. any portion of the amount(s) payable by an eligible school district to the NY State and Local Employees' Retirement System (ERS), <b>but not TRS</b>	BOE Resolution	1. Budgetary Approp. or other funds that may be legally appropriated. 2. Revenue not restricted by Law to be paid to another fund or account. 3. Transfers from Tax Certiorari, Capital or Repair Reserves	Authorized by BOE Resolution	No Limit.	Transfers from or back to other reserve funds require a public hearing with 15 days notice published in official newspaper(s)
Workers Compensation Reserve Fund  (A 814)	GML §6-j  (S)	To fund Workers Compensation expenses, related medical expenses and self-insurance administrative costs.	BOE Resolution	Budgetary Approp. or other funds that may be legally appropriated	Separate BOE authorization not required to spend from this reserve.	No Limit. BOE may terminate if district no longer self-insures	Districts that self-insure may establish reserve. Funds remaining at the end of each school year, in excess of requirement to pay all pending claims, may be transferred, within 60 days of the close of the school yr., to other reserve funds or applied to budgetary appropriations for new school year.
Unemployment Insurance Reserve  (A 815)	GML §6-m	To pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the school district uses the benefit reimbursement method.	BOE Resolution	Budgetary Approp. or other funds that may be legally appropriated or funds from other reserves authorized in the GML, or Ed. Law subject to permissive referendum.	Separate BOE authorization not required to spend from this reserve.	No Limit. BOE may terminate if district converts to tax contribution method of funding	If district converts to tax contribution funding mechanism, balance exceeding the amount necessary to pay all outstanding claims may be transferred, to any other reserve fund(s) authorized by GML or Ed. Law §3651. Excess funds remaining at end of any school year may be transferred, within 60 days of the close of that school yr., to other reserve fund(s) or applied to budgetary appropriations for the new school year.
Insurance Reserve Fund  (A 863)	GML §6-n	To pay liability, casualty and other types of losses, except those incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee.	BOE Resolution	Budgetary Approp. or other funds that may be legally appropriated or funds from other reserves authorized in the GML, subject to permissive referendum.	Separate BOE authorization not required to spend from this reserve.	No Limit.	Annual contribution(s) limited to greater of \$33,000 or 5% of the budget. No limit on accumulated reserve balance. Cannot use \$ for any purpose covered by another special reserve. Settled or compromised claims up to \$25,000 may be paid without judicial approval. Should BOE terminate this reserve, remaining funds in excess of incurred or accrued liabilities may be transferred to any other reserve fund authorized by the GML or Ed. Law §3651.
Property Loss Reserve  (A 861)  Liability Reserve  (A 862)	Ed. Law §1709 (8-c)  (S)	To pay for property loss & liability claims incurred	BOE Resolution	Budgetary Approp. or other funds that may be legally appropriated	Separate BOE Resolution not required for most expenditures. (See restrictions.)	No Limit.	Annual contribution(s) limited to greater of \$15,000 or 3% of the budget. Separate funds required for property loss and liability claims. \$ deposited cannot be used for another purpose w/o voter approval except BOE may use \$ not required to settle pending claims, to purchase insurance policies to cover losses previously self-insured. Balances may not be reduced below amounts required. to settle all pending claims.

(S) in legal citation column indicates requirement for separate bank account per OSC Financial Management Guide.

Funding Source	Total Funding	Grant End Date	To Be Sustained	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
American Rescue Plan	2,911,166	9/30/2024						
ESSER 2	1,577,378	9/30/2023						
GEER 2	51,952	9/30/2023						
	<b>\$ 4,540,496</b>							

Positions Included:

AIS Math-MS	Y	X	X	X		
AIS ELA-MS	Y	X	X	X		
AIS ELA-HS	Y	X	X	X		
Social Worker-MS	Y	X	X	X		
Psychologist	Y	X	X	X		
LTA's (7)-Kindergarten	TBD	X	X	X		
Summer School-All District	No	X	X	X	X	
Director of Facilities/Transportation	Y	X	X	X		
Custodial Worker	Y	X	X	X		
Curriculum Coordinator	Y	X	X	X		

Other Expenditures/One Time:

HVAC System-RS				
Remote Learning (\$217,800)				
Extended Day Program Supplement		X		
Professional Development Stipends			X	
Multimedia Presentation Systems-RS/VV				
District Wide Communication System				
Heating Unit-GP				
Athletic Equip/Bleacher Repairs				
Fitness Room				
Water Bottle Filling Stations				
Ron Clark Academy (15 people)				
Software (to be absorbed or switched out)				
Floor Scrubber				
Wellness Room set up				
Food transport supplies				

<b>ARP-Section 611/619-Special Ed</b>	<b>95,435</b>	9/30/2023	***We have not yet applied for this funding
Flowthrough to Other Agencies	13,294		Need to apply by July 1, 2022
<b>Net Grant Proceeds</b>	<b>\$ 82,141</b>		
 <i>Other One Time Grant Funding</i>			
SAM (Maintenance Vehicle)	\$ 50,000		No
Otsego County ELC Grant	\$ 326,377	7/31/2022	No
 <b><i>Annual Grant Funding</i></b>			
<b>Title I Part A</b>	\$ 390,321	8/31/2022	
Covers 4.5 FTE AIS Teachers			
<b>Title II</b>	\$ 58,912	8/31/2022	
Currently Funding The Reading League			
<b>Title IV</b>	\$ 29,131	8/31/2022	
Currently funding Iready and District hosted NYSCATE Conference			
<b>IDEA-Section 611 (Special Ed)</b>	\$ 479,364	6/30/2022	
Currently funding 4.6 FTE Psychologists and 1 FTE Special Ed Secretary			
<b>IDEA-Section 619 (CPSE)</b>	\$ 16,229	6/30/2022	
Mostly flow through but pays a small portion for CPSE Chair (Psychologist)			
<b>Universal Pre-K</b>	\$ 275,283	6/30/2022	Based on enrollment. As enrollment decreases, so does funding.
Mostly Flow through to outside agencies Pays stipend for UPK Director			
<b>Title I School Improvement-(MS)</b>	\$ 125,000	8/31/2022	To be discontinued once MS is taken off list in need of improvement
Staff Stipends, BOCES Consulting, Tutoring			

# — at the — TONE TOP®

Providing senior management, boards of directors, and audit committees with concise information on governance-related topics.

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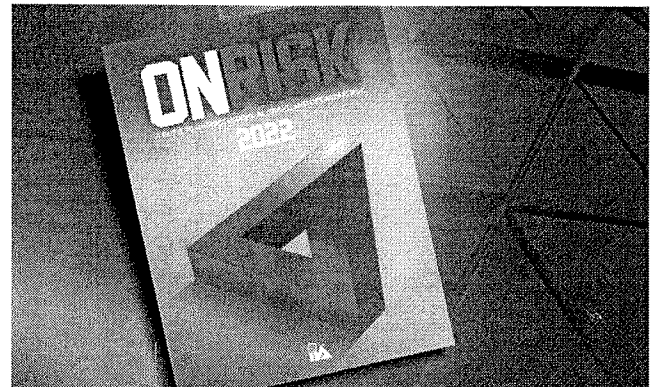
## OnRisk 2022: Timely Insights on Key Risks

The **COVID-19 pandemic** and its many disruptions provided a major wakeup call for organizations on the need to understand the wide variety of risks and uncertainties they face. *OnRisk 2022: A Guide to Understanding, Aligning, and Optimizing Risk*, a report from The Institute of Internal Auditors (IIA), gathered input from the major stakeholders in organizational governance — the board, executive management, and chief audit executives (CAEs) — to determine their alignment on the most relevant risks for organizations right now (see box on page 3) and to gain perspective on the best ways to deal with them. “Boards can use this report to open a dialogue about what issues or concerns apply in their own organizations and what areas may need greater attention,” said Christa Steele, an experienced CEO and public and private company board member.

A review of the report’s key observations reveals not only the major threats for organizations, but also some of the roadblocks that may hinder their ability to address them.

### Notable Disparities in Key Areas

*OnRisk 2022* offers several key observations, including that significant gaps exist between how relevant respondents believe certain risks are to their organizations and how confident they are in their organization’s ability to address those risks (see chart on page 4). This was determined through analysis of ratings assigned by respondents regarding personal knowledge, organizational capability, and relevance for each risk. The ratings are based on the percentage of respondents who assigned top ratings (a 6 or 7 on a 7-point scale) in each risk area.



Key observations include:

**Managing risks requires that organizations have capabilities that are sufficient to the task.** Alarmingly, while cybersecurity was identified as the top relevant risk for organizations by all three respondent groups, *OnRisk 2022* discovered a 45-point gap between those who thought cybersecurity was highly relevant to their organizations (87%) and those who believed their organizations had strong capabilities (42%) in this area. Significant Relevance-Capability gaps were noted for other risk areas, as well. While the pandemic underscored the value of managing qualified people, there was a 46-point Relevance-Capability gap for Talent Management. Several risks that respondents expect to gain relevance in the next three to five years all had large Relevance-Capability gaps, including Culture (36 points), Disruptive Innovation (34 points), and Economic and Political Volatility (32 points).

**There were meaningful variations in responses from senior executives, board members, and CAEs on risk relevance and organizational capabilities in a number of risk areas.** That’s troubling because when stakeholders’ views on organizational capability and risk relevance are aligned, it is easier to achieve robust risk management.

## About The IIA

The Institute of Internal Auditors, Inc. is a global professional association with more than 200,000 members in more than 170 countries and territories. The IIA serves as the internal audit profession's chief advocate, international standard-setter, and principal researcher and educator.

## The IIA

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When it came to risk relevance, more board members tagged Disruptive Innovation as a highly relevant risk than did senior executives (77% vs. 50%), which was the largest gap in the risk relevance ratings among the three groups surveyed. For Cybersecurity, not only did respondents give their organizations low marks for capability (42%), they were not in full accord on the degree of its relevance. CAEs were more likely to cite it as a highly relevant risk (97%) than board members (87%) or management (77%). CAEs also cited Supplier and Vendor Management risks (77%) as more relevant than did boards (60%) and the C-suite (67%), and were more likely to worry about Economic and Political Volatility (80%) than board members (63%) or senior management (67%).

For ratings on organizational capability, senior executives tended to be more confident in a number of risk areas. One exception was Disruptive Innovation, where only 20% of senior executives rated organizational capability as high – the lowest rating for any capability – compared with 43% of board members. This was the largest split between two groups on capability.

Boards had less confidence than senior executives when it came to the organization's capability to manage risks associated with Talent Management and Environmental Sustainability (a 20-point gap for each) and Organizational Governance (13 points). In each case, boards were more closely aligned with CAEs.

**There were differences in perceptions about ESG considerations.** The report broke out the three related risk areas: Environmental Sustainability, Social Sustainability, and Organizational Governance. Among them, respondents saw Organizational Governance as having far more relevance than the other two. Given growing interest in this risk area among investors and regulators, boards may want to request an internal audit review of ESG risk management to ensure that all issues are understood and adequately addressed within their organizations.

## New Risk Management Opportunities

**The pandemic raised awareness** about the need to gain assurance in areas beyond financial and compliance risks. External audits focus mainly on these areas, but internal audit can have a broader mandate with board and executive management support. "That includes a wide range of risks, including geopolitical, operations, finance, compliance and legal, and cultural risk," Steele noted. In light of the pandemic, *OnRisk 2022* respondents expressed interest in opportunities for greater assurance on operational and enterprise risk and had a new appreciation for the need to proactively address risks.

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## QUESTIONS FOR BOARD MEMBERS

- » What risks does our organization face beyond compliance and financial?
- » Has our organization conducted an enterprise risk assessment that addresses new challenges revealed by the COVID-19 pandemic?
- » Does our organization have the capabilities to tackle the risks it faces?
- » Does our board receive the enterprise risk management perspective it needs for good governance?



Steele noted that internal audit has a macro level view of the organization. “They can look down the road and around the corner,” she said. In addition, “At a time when the world is awash in data, they can offer insights on what information should be coming to the board room.” All stakeholders can then work together with the same fact-based data to identify strategies that will focus risk management resources where they are most needed.

Steele recommended that the CAE have a seat at the table with the C-suite so that the audit plan reflects the organization’s strategic initiatives. Expanded use of internal audit services can add value across the board, especially in highly relevant risk areas such as Cybersecurity, Talent Management, and Organizational Governance, which have received greater attention because of the pandemic.

## Next Steps for Board Members

The pandemic forced organizations to take a hard look at risk management issues and seek improvements. As the range and intensity of risk impacts grow, internal audit services can be a key partner in ongoing efforts to identify and mitigate threats, offering independent and objective assurance for decision making. As boards consider their next steps, *OnRisk 2022* provides a roadmap to problem areas that may plague many companies and a model that boards can use to consider their own Relevance-Capability gaps.

## TOP RISKS OF ONRISK 2022

Twelve risks were chosen from a broad list of possible threats that might affect organizations in 2022 and vetted through in-depth interviews with board members, executive management, and CAEs. They are shown here in order of combined risk relevance based on ratings assigned by *OnRisk 2022* respondents, along with a question that sums up related concerns.

**Cybersecurity:** Are organizations ready to manage cyber threats that could cause disruptions to operations and harm to their reputations?

**Talent Management:** Given the switch to remote operations and dynamic labor conditions, can organizations face the challenges of identifying, acquiring, training, and retaining the talent they need to achieve their goals?

**Organizational Governance:** Does governance — its rules, practices, processes, and controls — enhance or hinder achievement of objectives?

**Data Privacy:** In light of the increasingly complex and dynamic international regulatory environment, does the organization adequately protect sensitive data and ensure compliance with all applicable laws and regulations?

**Culture:** Given the rise of remote and flexible work arrangements, does the organization understand, monitor, and manage the tone, incentives, and actions that will drive the desired behavior from all employees?

**Economic and Political Volatility:** Does the organization monitor and address relevant challenges and uncertainties in a dynamic and potentially volatile economic and political environment?

**Change in Regulatory Environment:** Is the organization, whether heavily regulated or not, prepared to address the risks in a dynamic and ambiguous regulatory environment?

**Supplier and Vendor Management:** How equipped is the organization to develop and monitor fruitful third-party relationships?

**Disruptive Innovation:** Can the organization adapt to and/or capitalize on disruption?

**Social Sustainability:** Is the organization able to understand and manage the direct and indirect impacts its actions have on individuals and communities?

**Supply Chain Disruption:** Has the organization built in the flexibility necessary to adapt to current and future supply chain disruptions?

**Environmental Sustainability:** Is the organization able to reliably measure, evaluate, and accurately report on its environmental impacts?



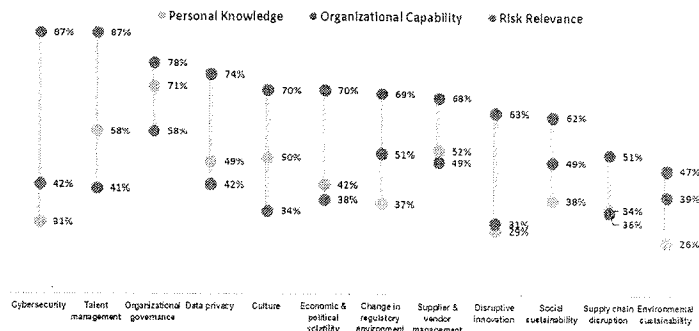


## Methodology: The *OnRisk* Approach

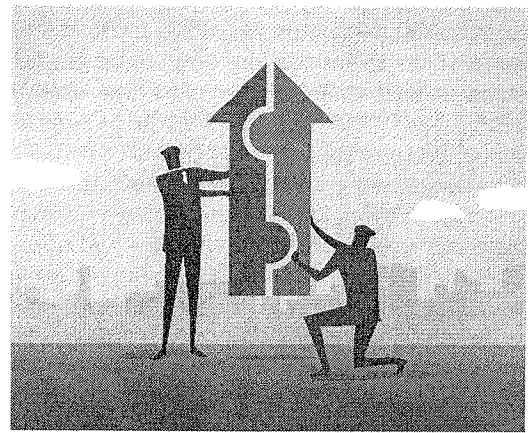
The *OnRisk* methodology employs qualitative interviews of 30 board members, 30 C-suite executives, and 30 CAEs from 90 different organizations. The research provides a robust look at risks facing organizations and allows for both objective data analysis and subjective insights based on responses from risk management leaders. As part of the interviews, respondents were asked to evaluate 12 key risks in three areas: Their personal knowledge of each risk, their perception of their organization's capability to address each risk, and their views of the relevance of each risk to their organization.

### Average Ratings Per Risk Area

Percentage who gave a rating of 6 or 7 on a scale of 1 to 7



Source: The Institute of Internal Auditors, Inc. 2021. The data in this chart is based on the responses of 90 organizations. The data is presented in this chart as a percentage of respondents who gave a rating of 6 or 7 on a scale of 1 to 7. The data is presented in this chart as a percentage of respondents who gave a rating of 6 or 7 on a scale of 1 to 7. The data is presented in this chart as a percentage of respondents who gave a rating of 6 or 7 on a scale of 1 to 7.



### Quick Poll Question

Our board is in alignment with executive management's opinions on the relevance of the risks we face:

- Always
- Often
- Rarely
- Never
- Don't know

Visit [www.theiia.org/Tone](http://www.theiia.org/Tone) to answer the question and learn how others are responding.

## QUICK POLL RESULTS

Does your board have a member with cybersecurity expertise?



Source: Tone at the Top August 2021 survey.



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