

8.

Interpretation:

The District interprets this policy language to mean that individuals employed by Poudre School District that have the ability to use significant sums of money belonging to the District and

member of the board of trustees retained as a consultant while that person is subject to the

- d. who is a guest student or intern pursuing studies or duties in any of offices or Premises, while such person is subject control and performing services for the Insured; and any student enrolled in a school under the jurisdiction of the Insured, while the student is handling or has possession of Money, Securities, or Other Property in connection with sanctioned student activities;
 - e. who is a volunteer, while such person is subject to the _____ and control and is performing services for the District.
5. any attorney retained by the Insured, and any employee of such attorney, while performing legal services for the Insured.

Employee also means any individual described in paragraphs 1-5 above while such person is on medical, military, or other leave of absence from the Insured. Coverage applies to any such Employee while on leave, regardless of whether such person direction and control during the time of leave.

Employee does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character not specified in paragraphs 1. through 5. above.

Based on the evidence, the District has met the expectations outlined in EL2.6.1

Policy Wording:

Among other things, the Superintendent shall not:

- 2. *Allow facilities andand*

with the Colorado Civil Rights Division (CCRD). One complaint alleged that the District discriminated against an employee based on their sex in violation of the Colorado Anti-Discrimination Act, as amended (CADA) and Title VII of the Civil Right Act. The CCRD issued a Notice of Right to Sue on January 3, 2024, and the Complainant has 90 days, or until April 2, 2024, to file a lawsuit. The other complaint alleged that the District discriminated against a student based on their disability and for retaliation for engaging in a protected activity. On October 20, 2023, the CCRD issued a Letter of Determination in favor of the District. The t was March 17, 2024.

Therefore, this matter is resolved.

Student Activities

Considering the number of students and types of programs and activities the District offers to students, it can reasonably be expected that injuries will occur during school hours and during school-sponsored events both on and off District property. Between July 1, 2022, and June 30, 2023, 410 student injuries/incidents were reported by schools to the risk management department. With 27,271 enrolled students (pre-K through 12th grade), there was approximately one accident per every 66 students.

There are no external benchmarks to compare to therefore the District uses internal trend data for comparison purposes. The 2020-2021 and 2019-2020 school years are not indicative of trends because, due to remote learning, students were not in District buildings and participating in in-person activities. In the 2018

and cost.

Interpretation:

The

standards followed. No findings were reported in either internal control over financial reporting or internal control and compliance for major federal grant programs. Accordingly, the District received unmodified (clean) opinions related to the financial statements and compliance for major federal grant programs.

The Poudre School District Audit Committee, established in accordance with Board Policy DIEA, assists the Board of Education in its financial oversight responsibilities. This committee ^{an open} avenue of communication between the external auditor, the BOE and the Superintendent; reviews District practices and procedures; recommends auditor selection; presents annually to the BOE; and performs many other duties and responsibilities as described in the PSD Audit Committee Charter.

Based on the evidence, the District has met the expectations outlined in Executive Limitation (EL) 2.6.5.

Policy Wording:

Among other things, the Superintendent shall not:

- 6. Invest or hold operating capital in insecure instruments, accounts with ineligible institutions and/or prohibited investments according to state law, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.*

Interpretation:

The District interprets *invest or hold operating capital* to mean to commit money or other assets in order to gain a financial return or maintain resources which are available to support the operations of the District.

The District interprets *in insecure instruments, accounts with*

1. To ensure that the funds are deposited and invested in accordance with governing law this policy.
2. To ensure the safety of the financial assets.
3. To ensure that adequate funds are available at all times to meet the financial obligations of the District when due.
4. To earn a competitive market rate of return from legally permitted investments on funds risk constraints and cash flow needs.

To maximize investment earnings, cash of eligible funds are pooled and transferred, or swept, into an interest-bearing money market account at the end of each day.

Cash

in all funds, except the Bond Redemption Fund, is eligible to be pooled. Cash in the Bond Redemption Fund is maintained separately for the annual payment of principal and interest payments on general obligation bonds. In addition, proceeds from the issuance of bonds, reported in the Capital Projects Fund, that are not needed to liquidate current obligations are invested in two separate local government investment pools.

The Annual Comprehensive Financial Report includes required disclosure

Evidence:

The District maintains reserves for unforeseen contingencies and appropriately classifies the reserves in order to understand what resources are restricted, committed, assigned or unassigned at the end of the fiscal year. The unassigned reserve as of June 30, 2023 contains a 1.3% contingency reserve established by the Board and an additional 3.5% in residual unassigned reserve. As of the January 2024 Revised Budget, unassigned appropriated reserves are budgeted and anticipated to be approximately 5.0%. In compliance with policy DBAA General Fund Balances, if the reserve amount exceeds 5%, the District may use the funds in excess of 5% for one or more expenditures that are nonrecurring in nature and that will not require additional future expenditures for maintenance, additional staffing or other recurring expenses.

The District also maintains restricted TABOR reserves in the amount of 3% of governmental spending. The current budgeted TABOR reserve is \$11.2M (3% of all governmental expenditures plus a reserve for multi-year obligations). Use of the TABOR reserve is not voluntarily

Interpretation:

The District interprets this to mean it will purchase an insurance policy or policies to cover at least 80% of the cost to replace property losses due to theft or casualty and liability losses to Board members, staff and the District in an amount greater than the average for Colorado school districts of similar size.

Evidence:

The District is insured through the Colorado School Districts Self Insurance Pool (CSDSIP) for approximately 75% of Colorado school districts in 2022- 2023 (134 school districts, 13 charter schools, and 18 BOCES). Membership included the following school districts: Boulder Valley, Cherry Creek, Thompson, St. Vrain Valley, Pueblo, Douglas County, and Adams 12. Therefore, they offer a reasonable benchmark of comparable organizations.

Property Insurance

property coverage form provides for 100% replacement value of its property with a combined per occurrence limit for all members of \$1 billion. CSDSIP utilizes

determined that a reasonable estimate of the contents within a school site is 15% of the building value. Since much of the equipment at the administration offices would be covered under the Inland Marine policy, the content value of these buildings under the property coverage is estimated at 10%. The District believes this to be a fair representation of the

on the 2022-2023 property policy was the maximum limit of \$1,000,000,000. The District carries a \$150,000 deductible per occurrence on the property policy.

School Entity Liability Insurance

The CGIA provides immunity for governmental entities in Colorado, including school districts. While there are waivers to immunity, the limits of liability from July 1, 2022, through June 30, 2023, were \$424T60.00000912 0 630027004C0021tJ 0 0 1 54.96 267.89 Tm0 G(2)-3(0)-3(2)6(3)-3(,)-3(

Automobile Liability Insurance

Many District groups travel in vehicles owned or leased by the District in states other than Colorado, where it is uncertain whether governmental immunity would apply. Therefore, the District carries a limit of \$5,000,000 per accident on its automobile liability policy. This policy has a \$10,000 deductible. In 2022-2023, eleven other CSDSIP members carried a limit of \$5,000,000, while three members carried a limit of \$10,000,000. All other members carried limits between \$2,000,000 and \$4,000,000.

Network Security & Privacy Liability Insurance

Despite the tight market for Network Security & Privacy Liability Insurance, the District was able to maintain its aggregate limit of \$5,000,000 in 2022-2023 with only a 17% increase in premium, which was expected to be 30%-50%. Coverage included:

Network Security Liability: coverage due to unauthorized access, theft of or destruction of data, and ID theft.

Privacy 3rd Party Liability: coverage for theft, loss or unauthorized disclosure of personally identifiable information or other 3rd party confidential information.

Privacy 1st Party Protections: coverage for costs to c(47g75t0(st)-3(P)5ET6qt)-3(P)7(a)-3(rty P)-3

Interpretation:

The district interprets *protect* to mean providing safeguards against loss, damage, or theft. The district interprets *intellectual property* to mean the original documents, software, or products created by PSD staff and stored on PSD core systems.

The district interprets *personal property owned by the district* to mean movable assets with a value over \$5,000.

The district interprets *fixed assets* to mean physical property owned by the district with a value over \$5,000.

The district interprets *loss or significant damage* to mean the need for repair to or replacement of an asset that is beyond usual maintenance of that asset.

Evidence:

The Information Technology Department exercises a continuous improvement model for the process and procedures related to backup and protection of records, data and other information developed, stored and archived by PSD employees on PSD core systems.

key is strict adherence to rigorous backup schedules for core systems (financial, employee, student data and storage), cloud storage of those backups for increased access and restoration ability, and redundant virtualized server platforms designed for rapid recovery of both data and services. In turn, this ensures minimal loss of data and/or services. Core system data is being replicated to our secondary data center, located in a District owned facility, following well-

and fixed assets are located in a secure environment with access controlled by security card access system.

The district practices industry standard network and computer security, intrusion detection, virus protection, and system monitoring on all technology infrastructure components, servers, storage, mobile devices, and desktop computers. The district security includes firewalls, firewall protection, web filtering, and security systems which includes malware scanning

software in an efficient and timely manner. All technology assets are inventoried and tracked to minimize physical loss or damage. Key systems and services, such as the primary and secondary data centers, are maintained in secure, monitored locations as are the primary IT staff work areas. Failover, redundant, and resilient architecture is utilized where deemed appropriate, and feasible to implement, to ensure minimal interruption of service and system availability throughout the calendar year.

The IT administrative team, in collaboration with the Superintendent and Cabinet, continues to define, facilitate, and manage role-based security in a wide variety of applications and software services so that staff, students and other PSD stakeholders are limited to strict, but appropriate, levels of information and data access. The continual escalation of need to ensure data privacy in accordance with Federal, State, and local regulations drives the requirement for a dynamic review and adjustment to access permissions, guidelines, and protocols.

Based on the evidence discussed, the district has met the expectations outlined in Executive Limitation (EL) 2.6.9.

Policy Wording:

Among other things, the Superintendent shall not:

- 10. Make or authorize any District purchase, contract, or other financial obligation of \$250,000 or more without prior Board approval.*

Interpretation:

The District interprets *make or authorize any District purchase, contract or other financial obligation* to mean create and/or approve any agreement, renewal of an existing agreement or

Based on the evidence, the District has met the expectations outlined in Executive Limitation (EL) 2.6.10.

Policy Wording:

Among other things, the Superintendent shall not:

11. *Fail to take reasonable steps to protect records, data and other information the District is required to maintain from destruction, theft, loss and corruption.*

Interpretation:

The district interprets *protect* to mean providing safeguards against loss, damage, or theft. The district interprets *records, data or other information* to mean, but is not limited to, electronic records, paper documents, maps, diagrams, drawings, and other finished property or products created by PSD staff and maintained on PSD core systems.

The district interprets *destruction, theft, loss, and corruption* to mean the permanent and irreplaceable loss of records, data and other information.

Evidence:

All physical forms of active student information records are stored at their current school of enrollment and controlled by the PSD office personnel there. All current business documents are stored within their respective PSD departments. All inactive physical student records and historical business records are retained at the Records Center per Poudre School District Policy EHB Records Retention. Procedures are in place to restrict access to electronic and non-electronic data information.

The Information Technology Department exercises a continuous improvement model for the process and procedures related to backup and protection of records, data and other information developed, stored, and archived by PSD employees on PSD core systems.

based on current best practices, the key is strict adherence to rigorous backup schedules for core systems (financial, employee, student data and storage), secure cloud storage, and redundant virtualized server platforms designed for rapid recovery of both data and services. In turn, this ensures minimal loss of data and/or services. Core system data is being replicated to our secondary data center, located in a District- owned facility, following well-defined daily,

assets are located in a secure environment with access controlled by security card access system. Backups

Policy Wording:

Among other things, the Superintendent shall not:

12. *Fail to take reasonable steps to protect the confidentiality of District records, data and other information in accordance with governing law.*

Based on the evidence, the District has met the expectations outlined in Executive Limitation (EL) 2.6.12 to the best of our ability.