

**Executive Limitation 3.E**  
**Asset Protection**

To: Board of Education

From: Dr. Chris Fiedler, Superintendent of Schools

Re: Expectations of the Board – 3.E Asset Protection

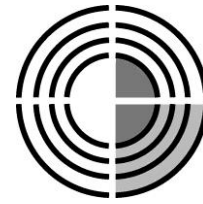
I hereby present the report on Asset Protection Executive Limitation 3.E in accordance with the schedule as set forth in Board policy. I certify the information in this report is true.

Signed: 

Date: April 23, 2019

Dr. Chris Fiedler

Superintendent, 27J Schools



## Policy 3.E – ASSET PROTECTION

*Date Adopted/Last Revised: September 26, 2017*

**The Superintendent will not cause or allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.**

Overview

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The Superintendent will not:

1. Allow the organization to be uninsured.

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- Hierarchy of Insurance Coverage

Reporting: Compliance

2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.

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| • Buildings and Values         | • Facility Leasing          |
| • School Sites                 | • Data Processing Equipment |
| • Capital Reserve Expenditures | • Vehicles                  |
| • Security                     | • Nutrition Services        |

Reporting: Compliance

3. Operate without employing risk management practices to minimize exposure of the organization, its Board, or staff to claims of liability.

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- Colorado Governmental Immunity Act Coverage
- Outstanding Claims

Reporting: Compliance

4. Allow any purchase wherein normally prudent protection has not been given against conflict of interest.

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Reporting: Compliance

5. Allow a purchase of \$20,000 or more without having obtained comparative prices and quality.

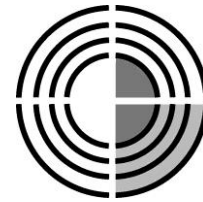
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Reporting: Compliance

6. Allow the purchase, disposal, or lease of real estate valued at more than \$20,000 without having obtained comparative prices. Page 24
- Reporting: Compliance
7. Allow the Board to be unaware of the acquisition, encumbrance, lease, or disposal of real estate valued at more than \$20,000 without providing the Board with information for discussion prior to a final decision being made. Page 24
- Reporting: Compliance
8. Fail to protect intellectual property, information, and files from loss, improper access, or significant damage. Page 25
- Reporting: Compliance
9. Receive, process, or disburse funds under controls insufficient to meet the Board-appointed auditor's standards. Page 27
- Reporting: Compliance
10. Compromise the independence of the board's audit or other external monitors or advisors. Engaging parties already chosen by the board as consultants or advisors is not permitted. Page 27
- Reporting: Compliance
11. Invest or hold operating capital in unsecure instruments or in non-interest-bearing accounts except where necessary to facilitate ease in operational transaction. Page 28
- Investments
- Reporting: Compliance
12. Endanger the organization's public image, its credibility, or its ability to accomplish goals. Page 30
- Communications
- Reporting: Compliance
13. Change the organization's name or substantially alter its identity. Page 33
- Board-directed Unofficial Name Change
- Reporting: Compliance



COLORADO SCHOOL DISTRICT 27J  
GOVERNING POLICY OF  
THE BOARD OF EDUCATION



**Policy 3.E – ASSET PROTECTION**

Date Adopted/Last Revised: September 26, 2017

Management Limitations

**The Superintendent will not cause or allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.**

*I interpret assets to represent physical and intellectual property of the District with a value greater than \$5,000.*

*I interpret unprotected as assets without insurance.*

*I interpret inadequately maintained as a lack of preventive maintenance, repair, or renovation which may cause an asset to deteriorate or experience an accelerated depreciation.*

*I interpret unnecessarily risked as exposure of assets to circumstances resulting in a higher likelihood of theft or otherwise being unavailable for the asset's intended purpose.*

**Data Reported**

The data contained in this report will illustrate that the District's assets have been protected using insurance coverage amounts that meet or exceed industry standards and are similar to those utilized by members of the Rocky Mountain Risk Insurance Group, formerly known as the Adams County Board of Cooperative Educational Services (BOCES). The Rocky Mountain Risk Insurance Group includes 27J Schools, Adams 1 (Mapleton) and Adams 50. Premiums and claim payments are within industry standards for a district the size of 27J Schools. Insurance contracts and policies are in place with the appropriate level of protection and all loss claims against the policies are recovered, less the deductible. Insurance costs for general liability, auto liability, and property protection indicate adequate coverage to protect District assets. The Colorado Group Insurance Association (CGIA) permits public entities to self-insure as well as to purchase commercial insurance subject to C.R.S. 24-10-115 and 29-13-101, 102 & 105.

In addition to insurances, the District participates in a number of training opportunities provided by the Rocky Mountain Risk Insurance Group to improve risk management practices, mitigate risks and reduce loss. Additional consultation is available through our insurance broker. The Rocky Mountain Risk Insurance Group Management Advisory Council (MAC) is comprised of representatives from each district. This group meets monthly to discuss workers' compensation issues, review claims, and make recommendations to the Board of Directors regarding safety and loss control issues. The Board of Directors consists of a Board of Education member from each district, including a Superintendent Representative and a MAC Representative.

As a public agency, the processes by which a claimant can attempt to recover damages and/or losses as well as the limits of how much a claimant can collect from 27J Schools are regulated by the Colorado Governmental Immunity Act (CGIA). In very general terms, claimants may seek a waiver of this

protection if the agency failed to act reasonably and/or allowed a known dangerous condition to exist that eventually caused harm. Even with governmental immunity, the claim must be investigated and a response put forward. Under the CGIA recoveries are limited to \$350,000 per person and \$990,000 per claim. Examples of claims that could be made against school districts include ice and snow on walkways, inadequate student supervision, and inadequate facility maintenance.

In 2004 the Insurance Pool added E&O (Errors and Omissions) coverage which insures the districts against wrongful acts committed by the districts. Employment practices liability and educators' professional liability are also included in this coverage. Board members face these exposures and should be aware that claims presented to the Pool are not subject to the Colorado Governmental Immunity Act (CGIA) which limits the levels of recovery by claimants.

The District takes the necessary precautions to prevent unnecessarily risking the image of the District and to protect its assets through adherence to its policies and procedures. These policies and procedures address employee conflict of interest and purchasing. External audits have been performed to measure compliance with them.

Intellectual property, information, and files are backed up and protected from misuse, significant damage, or copyright infringement in accordance with accepted governmental standards.

In November 2015 the District passed a School Construction Bond in the principal amount of \$248 million. The addition of premiums earned at the time of sale of the bonds, and interest earned on the investment of these funds, have increased the total dollars available for capital related projects to nearly \$296 million. To date \$208 million has been expended for the construction of new facilities, renovations and expansions, deferred maintenance, technology and safety and security. Projects planned for the use of the remaining funds are scheduled to be completed by fall of 2020. This significant community investment has helped the District to temporarily resolve student capacity issues, improve the student learning environment and extend the life of previous community investments.

#### **The Superintendent will not:**

- 1. Allow the organization to be uninsured:**
  - a) Against theft and casualty losses to at least 90% of replacement value;**
  - b) Against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations; and**
  - c) Against employee theft and dishonesty.**

*I interpret insured to be defined as appropriate policies shall be in place and all claims against the policies are resolved.*

#### **Data Reported**

State law mandates minimum automobile bodily injury coverage of \$25,000 and minimum property damage coverage of \$50,000 per incident. The District has in place insurance policies to cover acts of litigation, settlements, judgments and staff injuries resulting in financial remuneration by the District. The policies provide coverage for these acts to the extent available through insurance contracts. There are certain acts that are not insurable.

The District is a member with the aforementioned Adams County school districts in the Rocky Mountain Risk Insurance Group (the Pool) which provides insurance coverage for all its members. The Pool's Board of Directors consists of one member appointed by the Board of Education of each participating school district. All members of the Pool's Board of Directors have an equal vote in the administration of the Pool's activities, are responsible for selection of management, and have complete responsibility for all fiscal matters in the operation of the Pool.

The District pays annual premiums for property, liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The Pool, which is subjected to actuarial review and annual audit, has various levels of self-insured retentions and purchases excess insurance for amounts above the retentions for liability, property, and workers' compensation coverage.

## Rocky Mountain Risk Insurance Group

2018-2019

### *Hierarchy of Coverage By Line*

	Property (Buildings, Vehicles, & Contents)	E & O	Liability	Workers' Compensation	Bolter & Machinery	Employee Dishonesty (Crime)	Cyber Liability
District Responsibility	\$0 - \$1,000	\$0 - \$10,000	\$0	\$0	\$0 - \$5,000	\$0 - \$25,000	\$0 - \$50,000
Pool Retention	\$1,000 - \$100,000	\$10,000 - \$150,000	\$0 - \$150,000	\$0 - \$550,000	None	None	None
Excess Coverage	\$100,000 to \$1,000,000  BRIT	\$150,000 to \$10,000,000 ("Abuse to \$5M")  BRIT	\$150,000 to \$5,000,000 Auto Liability \$10,000,000 General Liability BRIT	\$550,000  Statutory  Safety National	\$5,000 to \$100,000,000  Travelers	\$25,000 to \$1,000,000  Travelers	\$50,000 to 1,000,000 - 5,000,000  ACE
Additional Excess Coverage	\$1,000,000 to \$100,000,000 Travelers						

\*Student Sexual Abuse has a sub-limit of \$5,000,000 under Educators Legal Liability.  
Charter Schools are excluded from all lines of coverage.

This interpretation is reasonable because its intent meets industry standards for insurance as established by the Rocky Mountain Risk Insurance Group Limits and Retentions.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.**

*I interpret facilities to comprise buildings and grounds owned or leased by the District.*

*I interpret equipment to mean tools, electronic data processing equipment, vehicles and machines that either alone or in combination comprise and/or support operating systems within these facilities with a value exceeding \$5,000 and a useful life greater than one year.*

*I interpret electronic data processing equipment to mean communications equipment used for essential operational activities. These pieces of equipment are building level switches, phone switching equipment, and fiber connections.*

*I interpret improper wear and tear as failure to sustain the integrity of the asset in a timely manner or protect the normal life of the asset for the asset's intended purpose within the funding capacities provided.*

*I interpret insufficient maintenance as not keeping up with preventive and corrective maintenance as recommended by the manufacturer or prevailing industry practice.*

**Data Reported**

**Buildings**

The District owns and maintains a number of facilities. The following chart is a summary description of the facilities, the square footage, and the insurable values of the buildings and their contents as reported by the Rocky Mountain Risk Insurance Group:

Type	Number of Buildings	Square Footage	Value of Buildings	Value of Contents	Site Improvements	Total Value
School Facilities	20	2,111,221	\$429,032,550	\$33,009,694	\$3,979,837	\$466,022,081
Modulars	35	73,208	\$5,741,194	\$860,848		\$6,602,042
Other Buildings	19	154,793	\$15,205,069	\$4,248,545	\$821,324	\$20,274,938
<b>Total</b>	<b>74</b>	<b>2,339,222</b>	<b>\$449,978,813</b>	<b>\$38,119,087</b>	<b>\$4,801,161</b>	<b>\$492,899,062</b>

Through the exceptional effort of District staff, a 100% rating has been achieved for this year by keeping all facilities open and able to serve their intended service each day of the past year.

The successful 2015 School Construction Bond has provided the financial resources necessary to build new schools, renovate and/or expand others and make significant improvements to many deferred maintenance projects.

The following is a non-inclusive list of projects that have been completed or are in progress through the use of 2015 School Construction Bond funds:

<b>New Schools</b>	<b>Year</b>
Reunion Elementary	2017
Riverdale Ridge High	2018
Quist Middle	2020
Elementary #13	2020
<b>Renovations/Additions</b>	<b>Year</b>
Brantner Elementary	2016
Brighton Heritage Academy-Phase I & II	2016/2017
Bromley East Charter	2016
Eagle Ridge Academy	2016
Vikan Middle	2017
Brighton High	2017
Northeast Elementary	2019
Overland Trail Middle	2019
<b>Roof Replacement/Repair</b>	<b>Year</b>
Brighton Heritage Academy	2016
Brighton High	2017
Educational Service Center	2017
Overland Trail Middle	2017
South Elementary	2017
Indoor Pool Building	2017
Vikan Middle	2017
Southeast	2018
<b>Mechanical Systems Repairs/Upgrades</b>	<b>Year</b>
Southeast Elementary chiller & water heater	2016
Second Creek Elementary controls	2016
Second Creek Elementary water heater	2016
Thimmig Elementary controls	2016
Stuart Middle boiler repair	2016
Brighton High heating coil & chiller	2016
ESC heating coil	2017
<b>Lighting Upgrades</b>	<b>Year</b>
Henderson Elementary	2017
North Elementary	2017
Southeast Elementary	2017
Thimmig Elementary	2017
Pennock Elementary	2017
Second Creek Elementary	2017
Prairie View Middle	2017
Stuart Middle	2017



<b>Asphalt/Concrete Repairs</b>	<b>Year</b>
South Elementary repairs	2016
Southeast Elementary repairs	2016
Henderson Elementary repairs	2016
West Ridge Elementary repairs	2016
Overland Trail Middle repairs	2016
Brighton High repairs	2016
Prairie View Middle sidewalk	2016
Prairie View High repairs	2016
Pennock Elementary repairs	2017
North Elementary parking lot	2017
Nutrition Bldg parking lot	2017
<b>Artificial Turf Fields</b>	<b>Year</b>
South Elementary	2016
Brighton High	2016
Prairie View High	2016
<b>Technology Repairs/Upgrades</b>	<b>Year</b>
Transportation Services Bldg	2018
Fiber District wide	2019
North Elementary clocks & bells	2019
<b>Miscellaneous Repairs</b>	<b>Year</b>
Prairie View High bathroom repairs	2018
The Learning Center ADA upgrades	2018

Other smaller and previously unidentified projects were remedied through the use of the Capital Reserve Fund. Examples of these projects are as follows:

<b>Site</b>	<b>Description</b>	<b>Amount</b>
Brighton Learning and Resource Campus	Carpet Install	\$5,064
District Training Room	Chair Cleaning	\$720
Child Find	Move	\$8,545
Transportation	Hand Dryer Install	\$2,150
Prairie View Middle	Boiler Repairs	\$4,497
Pennock Elementary	Gas Line Repair	\$8,431
Nutrition Services	HVAC Unit	\$16,000
Prairie View Middle	Parking Lot Repairs	\$6,371
North Elementary	Roof Repairs	\$1,996
Transportation	Bus Cameras	\$50,000

### Indoor Pool Building

The District's Indoor Pool was designed and constructed in the 1970's. A dive pool was added in the 1990's. In the early years the pool provided a venue for swimming instruction as part of the District's physical education curriculum across many grades, a home for the high school swim, dive and water polo teams, as well as the location for community recreation programs in conjunction with the City of Brighton.

Utilizing 2004 School Construction Bond funds, a variety of repairs were made to the pool in the 2008-2009 school year related to improvements and repairs to the building's structure and HVAC system. The pool itself was also resurfaced at this time. A decision was made not to proceed with any additional required improvements, but rather to opt for a short term fix that might extend the life of the building another 5-10 years. The roof was replaced in the summer of 2017.

In 2004, the Colorado Community College System, acting on the authority of the Office of Civil Rights (OCR), conducted a study of many components of the Brighton High School Career and Technical Education programs including the physical accessibility of the facilities. Included within the findings were a number of accessibility violations at the Indoor Pool building which must be met as Physical Education credits are required for graduation and swimming is part of the curriculum for those credits. Swimming is no longer part of the high school physical education curriculum and therefore is no longer within the scope of the OCR compliance. The estimated costs to come into compliance is estimated at approximately \$1,000,000. While the repairs would bring us into OCR compliance they would not include any repairs required to extend the life of the building. Costs to extend the life of the building now are estimated in the \$2,000,000 to \$5,000,000 range.

The Indoor Pool's use is now limited to the high schools' unified boys and girls swim and dive teams and the community-based Bullfrogs competitive swim team. Over the past several years, participation by the two groups includes 50-60 students per year.

Based on the aforementioned information, it is not the current intention of District staff to invest significant additional dollars into the building. The outcome of this decision will likely result in the loss of this facility for its intended purpose in the next several years. District staff is actively involved in conversations with our local municipal partners to determine the financial viability of a jointly operated facility.

### **Security of District Facilities**

The site-specific school emergency plan for each school details the site's physical security and fire protection systems in the Prevention/Mitigation section. The District has many systems in place to protect people and assets, and the projects currently being implemented throughout the District with bond funding will greatly enhance school security and safety.

### **Security Personnel**

School Resource Officers (SROs) are assigned to secondary schools through cost-sharing agreements with our police departments. Brighton provides officers at Brighton High School, Brighton Heritage Academy, Prairie View High School, Prairie View Middle School, Overland Trail Middle School and Vikan Middle School. Commerce City provides an SRO at Stuart Middle School and the Thornton Police Department provides one SRO at Riverdale Ridge High School/Quist Middle School. It is anticipated that Quist Middle School will have an SRO assigned to it upon opening.

While the original goals of SRO programs were related to proactive work through community policing, SROs are trained to respond and assist schools in a variety of situations.

Campus Supervisors are 27J employees who work as unarmed security monitors at their campuses. All District managed high schools employ campus supervisors as do three of the District's five middle schools.

## Interoperable Radios

The District provides SchoolSAFE Technology radios to all of its campuses, which allows 911 Dispatchers to “bridge” a single school or multiple schools’ radios to public safety radios via a web-based process. All staff with a SchoolSAFE radio at a site may speak with others within the school and can bridge to others and district emergency operations staff.

The system allows 27J designated personnel (including district-level staff and at least three Safety Team members at each school designated by the principal) to bridge district level radios to individual schools or multiple schools for drills or an actual incident response. This capability is tested district wide every month while school is in session with a bridging test of all schools (including the charter schools that are part of the system). Front Range Community College and the Adams County Head Start at the Brighton Learning and Resource Campus in Brighton (BLRC) have purchased compatible radios with the 27J BLRC channels and are included in the tests. They also have designated staff who can bridge to other 27J sites for tests or in an emergency. (District staff cannot bridge to public safety – that must be done by the 911 dispatch center.)

All communications during bridging with police, fire or other public responders will be on the existing Adams County School Mutual Aid Channel. The only access to this channel is for testing, drills, or emergency communications.

School Resource Officers carry school radios in addition to their police radios.

The District has recently received a grant in the amount of \$349,734 from the Colorado Division of Homeland Security and Emergency Management. The school District will utilize the grant money to purchase additional radios and radio infrastructure and to provide a robust training regimen to schools and first responders.

## Access Control

All elementary and middle schools have main entrances that require visitors to be screened prior to entry during school hours. These systems allow staff to view and talk to entrants before remotely unlocking the access door. Second entry stations were added at a few schools where access from modular classrooms through another school entrance is controlled. Cafeterias at some sites have similar equipment that is used for after-hours childcare programs.

Currently, most sites have electronic card access systems for employees. Plans are in place to have card access for all sites in the near future. Electronic access cards are available to first responders via secured lock boxes at school sites. Efforts are currently underway to have all schools operating within an enterprise system that is implemented District wide for staff badging and access control.

All 20 district managed schools use a visitor management and screening system licensed from Raptor Technologies. The Brighton and Commerce City charter schools use Raptor or a similar system. Visitors present their identification card, such as a driver’s license, for scanning. The entrant is screened against public record databases that will issue site-specific alerts for restraining orders and other security issues. Entrants receive a badge that includes their photo, date, and destination. Written procedures have been issued for the District to standardize school access controls.

## Video Surveillance

All schools have video surveillance systems with continuous recording. The number of cameras vary by the size of the school. Dedicated servers will be available for video recording for all sites, as well as a web-based video management system. A key feature of the system will be to allow law enforcement direct access to cameras during an incident.

Proactive use of live video at schools on dedicated monitors in the office area is an important use of the cameras since it can help prevent or detect a security threat. Authorized personnel, including School Resource Officers, district staff, administrators and other school staff utilize video.

The Transportation Department has multiple cameras on a separate system on most buses. Some older buses retained for back-up do not have video or GPS tracking.

## After-Hours Security/Intrusion Detection

All school buildings have intrusion detection systems that include motion detection in the main corridors to provide after-hours protection from theft and vandalism. A number of other district buildings are also protected through intrusion detection, including the Network Operations Center, the Nutrition building, the Indoor Pool building, and the Main Transportation Terminal. Intrusion panels are being replaced throughout the District. They are managed with a web-based interface for users, and alarms are centrally monitored by a contracted firm for appropriate dispatching.

## Emergency Actions

School safety relies on the rapid implementation of emergency protocols, such as Lockout and Lockdown, or Shelter for a tornado warning or outside hazardous material release. Some sites have the capability to use electronic controls to quickly lock exterior doors, or shut interior corridor doors to restrict the movement of an intruder. All schools will be receiving duress systems that include technologies for quick implementation and notification for Lockdown actions.

Remodeled schools get new door hardware with locksets that are keyed on both sides to facilitate Lockdown.

Carbon monoxide (CO) detection is a new code requirement, and systems are being installed in schools to detect a release and notify appropriate personnel.

## Fire Protection

All schools have remotely monitored fire alarm panels to ensure rapid notification of emergency responders in case the system alarms. Fire Code requires new schools to have systems with audible announcements. Fire protection systems include smoke detection, alerting pull stations, fire extinguishers, and emergency lighting. Modular classrooms also have these systems and include notification systems for the main office if there is an alarm. More than half of the schools are protected by full sprinkler systems. The Educational Service Center, the Network Operations Center and the Main Transportation Terminal also have remotely monitored fire protection systems.

## Back-Up Power

Eleven schools have emergency natural-gas generators to provide long-term back-up power for critical functions such as emergency lighting and fire panels. Short-term UPS battery backup prevents interruption in service while the generators automatically start during an outage. UPS battery back-up is the sole-source of back-up power on critical systems at sites without generators. The generator at the Network Operations Center has the capacity to back up power for the entire technology building and protects District network services equipment in that building, including the phone system, servers, and internet connectivity.

## Summary

It is notable that security and safety were key considerations in the design of new schools. Protocols for how the new security technologies will be operated at each site are being developed with initial installations. Capacity is being added to all security systems to accommodate growth and to provide a secure operating environment.

It is important to recognize that physical security depends on vigorous implementation of consistent management systems in order to ensure school security.

## Grounds

The District owns and maintains 25 developed sites containing approximately 429 acres. The District also owns six parcels of vacant land or land with schools under construction consisting of approximately 69 acres for future school sites that must be maintained as well.

Although not presently deeded to the District, there are another 14 parcels containing approximately 205 acres that have been identified as future school sites that are in varying stages of municipal approval and/or dedication. District staff continuously monitors these processes and works closely with our governmental partners to ensure adequate school sites for future enrollment.

## **SD27J DEVELOPED SITES**

Site	Acres	Address
Brantner PK-5	14.92	7800 E 133rd Ave, Thornton
Brighton Heritage Academy 8-12	3.6	830 E Bridge St, Brighton
Brighton HS 9-12	28.2	270 S 8th Ave, Brighton
CLC		360 S 8th Ave, Brighton
Educational Service Center	13.28	18551 E 160th Ave, Brighton
Network Operations Center	14.06	630 S 8th Ave, Brighton
Henderson PK-5	14.52	12301 E 124th Ave, Henderson
North PK-5	2.18	89 N 6th Ave, Brighton
Northeast PK-5	9.43	1605 Longs Peak St, Brighton
Overland Trail MS 6-8	15	455 N 19th Ave, Brighton
Pennock PK-5	7.83	3707 Estrella St, Brighton

Prairie View HS 9-12	55.59	12909 E 120th Ave, Henderson
Prairie View MS 6-8	22.6	12915 E 120th Ave, Henderson
Quist MS 6-8	23.52	13451 Yosemite St, Thornton
Reunion PK-5	10	11021 Landmark Ave, Commerce City
Riverdale Ridge HS 9-12	73.04	13380 Yosemite St, Thornton
Second Creek PK-5	14.72	9950 Laredo Dr, Commerce City
South PK-5	3.67	305 S 5th Ave, Brighton
Southeast PK-5	11.58	1595 Southern St, Brighton
Stuart MS 6-8	22.09	15955 E 101st Way, Commerce City
Natatorium	3.15	565 Southern St, Brighton
Thimmig PK-5	6.41	11453 Oswego St, Henderson
Transportation Facility	19.9	11701 Potomac St, Brighton
Turnberry PK-5	10.38	13069 E 106th Pl, Commerce City
Vikan MS 6-8	19.68	879 Jessup St, Brighton
West Ridge PK-5	10.09	13102 Monaco St, Thornton
<b>Total Acres</b>	<b>429.47</b>	

### SD27J FUTURE SCHOOL SITES - OWNED

Jur*	Site	Acres	Potential Usage
BR	Brighton Crossings Filing 2 (ES #13)	10	ES
BR	Brighton East Farms Filing 2	15	ES
BR	ESC - 18551 E 160th Ave	10	ES
BR	Indigo Trails – 1/2 mi N of 144th Ave, W of 19th Ave alignment	13.18	ES
BR	Mountain View Estates – N of Denver St, E of 27th Ave, W of Telluride St	10	ES
TH	Talon Pointe – Monaco St & 156th Ave	10.36	ES
	<b>Total Acres</b>	<b>68.54</b>	

### SD27J FUTURE SCHOOL SITES – IN PROCESS OF ACQUISITION

Jur*	Site Location	Acres	Potential Usage
BR	Brighton Lakes – Between 136th Ave & 144th Ave; Sable Blvd & Buckley Rd	10.1	ES
BR	Prairie Center – ½ mi S of Bromley Ln, E of Buckley Rd, N of 144th Ave	9.67	ES
BR	Prairie Center - Sec 20 T1S, R66W	20	MS
CC	Buckley Crossing – ½ mi N of 112th Ave between Buckley Rd & Tower Rd	15	MS
CC	Reunion – NE of 96th Ave & Buckley Rd	48	HS
CC	Reunion – S of 104th Ave between Peoria St & Potomac St	10	ES
CC	Reunion – S of 104th Ave between Potomac St & Chambers Rd	10	ES
CC	Reunion – Southlawn – S of 104th Ave, E of Buckley Rd	10.61	ES

CC	Second Creek Farm – W of Tower Rd, ½ mi S of 96th Ave	15	ES
CC	Villages at Buffalo Run East – E of Chambers Rd, ½ mi N of 112th Ave **	6.19	ES
TH	North End Station – N Hwy 7 between Holly St & Colorado Blvd	10	ES
TH	The Parterre – N of E470, E of Quebec St	20.29	MS
TH	The Parterre – S of E470, W of Quebec St	9.7	ES
TH	Willow Bend – W of Holly St, N of 144th Ave	10.13	ES
	<b>Total Acres</b>	<b>204.70</b>	

\* The jurisdiction in which the property exists.

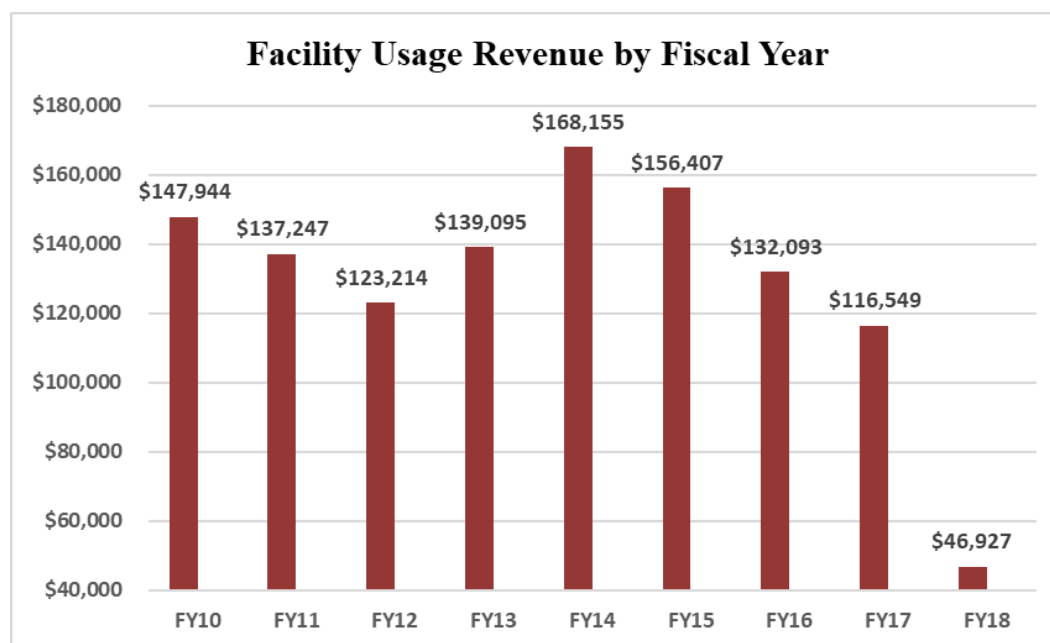
AC = Adams County; BR = Brighton; CC = Commerce City; TH = Thornton

\*\* This property was dedicated as a school site by the developer, however, a clause in the PUD Zone document states that if a permanent elementary school facility has not been constructed by the latter of July 17, 2010 or a date that 80% or more single family units in The Villages at Buffalo Run East and West have been sold, then the school site will revert to the developer. To date approximately 67% have been sold, and in all likelihood the property will revert to the developer.

### **Facility Leasing**

District facilities are used by a number of entities for non-school purposes. The largest groups of users for non-school purposes are local municipalities. These uses are largely governed by intergovernmental agreements (IGA) executed by the parties. Users in this category are exempt from fees. The District also allows for the use of its facilities on a fee basis for other profit and not-for-profit organizations. A second category made up of non-governmental groups that serve district students was previously exempt from fees. Pursuant to a staff recommendation, the Board eliminated all exemptions except for those governed by existing IGAs and instituted a reduced fee for the previously exempt groups. The purpose of the change was to assist in the recovery of the costs of administering the building usage program.

The chart below illustrates the revenue assessed by fiscal year.



The significant reduction of fees charged for the use of District facilities is a reflection of the increased use of the facilities by exempt groups and the growing lack of availability of these facilities for use by non-exempt groups. This trend is likely to continue until additional schools and/or community facilities are built opening additional opportunities for usage by non-exempt groups.

Staff will continue to monitor revenues from the lease and use of District facilities and will work to maintain a balance between allowing community use of facilities without placing the financial burden of such leases on the District and/or its instructional process.

There are currently no charges associated with the leasing of District fields and other outdoor spaces. Given the growing demand for these requests and the need to adequately monitor and maintain these facilities, this practice is being reviewed and may result in the charging of fees in the future for the use of these spaces.

### **Data Processing Equipment**

The District owns and operates approximately 75 miles of a fiber-based switch network to provide broadband voice and data communications between facilities. Utilizing 2015 bond funds the network has been extended to Elementary School #13 in the Brighton Crossings subdivision and Quist Middle School.

The District also owns and operates an integrated telephone switching system that includes a primary District-wide phone switch with voice mail and individual sub-switches in school buildings. The District ensures protection of these systems through qualified vendor maintenance contracts. Contract specifications assure high availability of service and spare equipment to maintain 35 phone switches, and 290 data switches.

District staff monitors and is notified of any disruptions of these critical systems and has implemented the following support standard:

Maintain an operational availability (uptime) of 97.9% during the normal business hours of the District (7:00 AM - 4:30 PM, M-F).

All systems are currently being monitored, either via automation or manually, and have a 99.1% average operational availability this year.

The District has in place maintenance contracts on the building level switches and phone equipment installed in the District. The District also keeps a parts inventory to be able to make repairs and replace damaged equipment in a timely manner.

The District continues to monitor, correct, and protect the fiber network from any damage that may occur. Established relationships with multiple vendors expedite any repair work that may be needed.



## Computers

There are 17,248 devices within the District. The following chart illustrates the total number of computers within the District and their expected replacement dates.

Type of Device	Total	To Be Replaced in 2019	To Be Replaced in 2020	To Be Replaced in 2021	To Be Replaced in 2022	To Be Replaced in 2023
PC	1810	259	477	429	598	47
Laptop	413	84	97	50	123	59
Surface	97	2	1	38	28	28
VDI	370	370				
Chromebox	835				717	118
Chromebook	13,452	1816	962	2235	529	7910
iPad	271	93	78	100	0	0
<b>Total</b>	<b>17248</b>	<b>2624</b>	<b>1615</b>	<b>2852</b>	<b>1995</b>	<b>8162</b>

This plan will ensure that no computer within the District will exceed five years of age. The newest computers will continuously be placed in high schools, and the older computers “cascaded” downward through the grades where less computing capability is required.

Teacher computers have been replaced with less expensive thin client/chromebox computers. All costs for central administration replacements will be absorbed through building/departmental budgets.

This plan requires full and continuous implementation. Failure to do so may result in the loss of access to fully operable computers for our students and staff.

## Telephone Systems

Currently the District operates on three telephone systems: one is 22 years old, one is 14 years old, and the other is seven years old. The oldest system is at full capacity, cannot be expanded, and is rapidly becoming obsolete. An upgrade project utilizing components compatible with our current systems has started in the planning stages as funding has become available. The new system is tentatively scheduled to be in place next year.

## Technology Maintenance Schedule

Currently the District sets aside one weekend each month to perform preventive maintenance/updates on all hardware and software the District has in its production environment.

## Vehicles

The District’s white fleet consists of 109 pieces of motorized equipment including pickups, tractors, mowers, etc., and 120 transportation vehicles including full size buses and Micro Birds. The District also maintains a bus for Bromley East Charter School and a bus for Belle Creek Charter School.

Maintenance services and inspections are performed by certified technicians on all vehicles at the Main Transportation Terminal.

The vast majority of District owned vehicles are required to provide transportation services to students. According to reports filed with the Colorado Department of Education for the 2017-2018 school year, a total of 1,512,447 miles were traveled to support students. For the current school year, there are 8,516 students eligible for transportation services by their home address or qualifying condition. Over 4,800 students have utilized transportation during the current year.

A current review of the mileage of the transportation fleet indicates that nine of the buses have mileage that exceeds 300,000 miles, two buses have mileage in excess of 400,000 miles. An additional 27 buses have mileage in excess of 200,000 miles. High mileage buses remain on the fleet to provide additional student capacity but are restricted to low mileage in-district routes.

The State of Colorado does not have a standard bus replacement schedule based on the age of the vehicle due to the fact that Colorado is not considered a high rust state. Industry standards suggest replacement at 350,000 miles on a diesel engine due primarily to new emission standards and 250,000 miles on propane engines.

Since 2012, utilizing a variety funds, the District has purchased and/or replaced 48 full size buses and three Micro Birds. The chart below illustrates the status of the fleet both over the past five years. Even with the additions to the fleet the average mileage per vehicle has remained fairly stagnant.

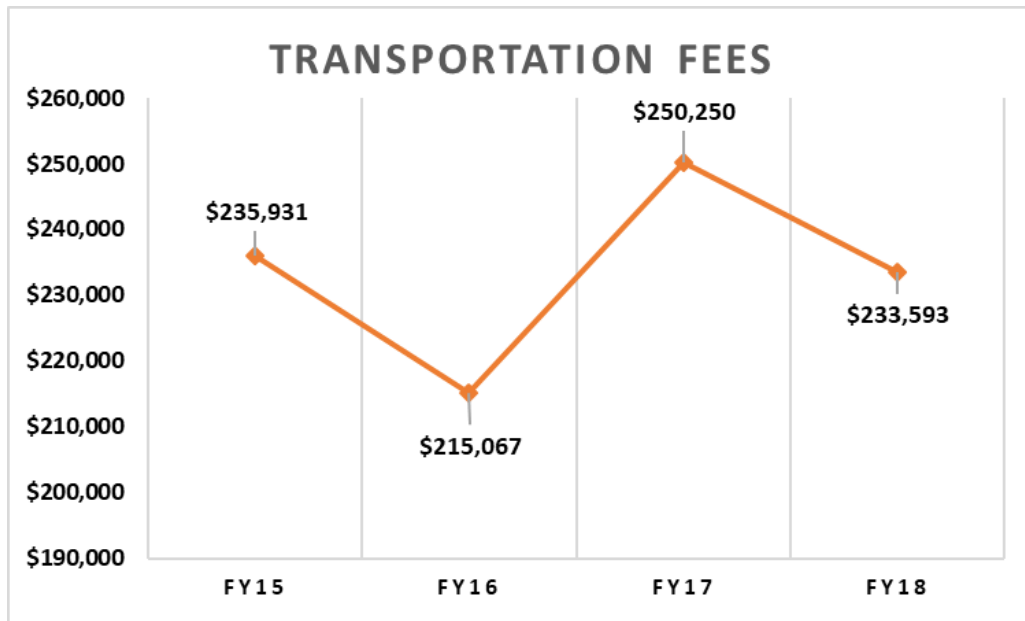
The chart below compares the mileage of the fleet over the past five years:

	2015	2016	2017	2018	2019
Mileage	Number of Buses	Number of Buses	Number of Buses	Number of Buses	Number of Buses
400,000+	3	2	2	2	2
300,000-399,999	7 (5 over 340,000+)	7 (6 over 340,000+)	8	6	7
200,000-299,999	10	11	17	23	27
100,000-199,999	36	36	35	31	28
50,000-99,999	16	15	23	38	14
0-49,999	40	40	27	19	42
Total Number of Buses	112	112	112	119	120
Average Miles per Bus	128,214	124,975	136,072	138,753	131,758

Transportation staff has recently submitted and received a grant from the Regional Air Quality Council that would provide \$30,000 per bus for the replacement of up to 9 buses. The District would be required to provide the balance of the funding for the purchase. The 9 buses to be replaced would be high mileage diesel powered buses and would be replaced by propane powered buses. District staff is attempting to accommodate as much of this request as possible within their proposed FY 2020 budget.

The increasing demand for transportation services caused by enrollment growth and increasing numbers of students requiring transportation as part of their Individualized Education Plans will require the District to continue its investment in transportation vehicles or consider reducing service levels. District staff continuously evaluates and creates service options and routing strategies to maximize efficiency.

The District initiated the collection of Transportation Fees in the fall of 2011. As illustrated by the chart above the amount collected has remained relatively flat on a year to year basis. The funds collected are used to offset a portion of the Transportation Departments operating costs.



The District's student transportation vehicles are regulated by the Colorado Minimum Standards Governing School Transportation Vehicles as developed by the Colorado Department of Education. The standards provide requirements for the annual inspection of vehicles used to transport students. The annual inspection requires a certified bus technician to follow an extensive checklist on the vehicle including damage to vehicles and brake and drive train inspections. If a vehicle fails inspection, it cannot be used to transport students until repaired and re-inspected. After the re-inspection, the certified technician must sign a CDE required affidavit stating that the vehicle has been repaired, re-inspected, and is safe to transport students. This affidavit must be kept in the vehicle.

A maintenance and inspection record is established for each vehicle upon purchase and maintained until the vehicle is retired. A review of maintenance records indicates that all student transportation vehicles have been adequately maintained according to state statute and CDE regulations. A similar review of the Preventive Maintenance Status report indicates that all white fleet vehicles have also been reasonably maintained.

A certified bus mechanic is required to have at least two years of maintenance experience on light, medium, and heavy-duty vehicles. The technician must pass a written and hands-on performance test initially, and is re-tested every three years. Technicians participate in a variety of training opportunities to assist in their certification efforts. Documentation regarding technician certification is maintained at the Main Transportation Terminal.

### **Nutrition Services**

The Nutrition Services department actively participates in asset protection in order to provide healthy, safe meals that are appealing and a value to students each year. During the 2017-2018 school year, 274,165 breakfast meals and 1,313,784 lunch meals were served. Meals served to students who qualify for free and reduced lunch accounted for 58 percent of the total meals served.

Asset protection is an important element of Nutrition Services' business model, which includes factors such as proper procurement of food, supplies, and equipment, employee training, and the use of internal electronic and accounting controls.

Equipment is typically purchased and installed at new schools as part of the construction process. Replacement of food service equipment is funded by the Nutrition Services department and proper maintenance and care is taken to maintain existing equipment to extend the life of equipment as long as possible. Staff is also trained on the proper upkeep as well as safe use of all equipment in our kitchens. The District owns and maintains the Nutrition Service equipment that exists in all District schools. The Nutrition Services Department, via separate operating agreements, provides services to all of the District's charter schools and maintains the equipment in those facilities.

The Nutrition Services department also utilizes the leased kitchen space at the Brighton Learning and Resource Campus (BLARC). Currently, the space has been used to develop and test new menu items, as well as to teach new employees proper food handling, preparation and food safety techniques so they can be effective at their assigned school.

Food and other operating supplies are purchased following federal, state, and District procurement regulations. Nearly two-thirds of the Nutrition Services revenues are tied to state and federal sources. The Nutrition Services Department operates without any revenue subsidy from the District's General Fund.

### **Summary**

In addition to the construction of new schools and the significant renovations of others, the 2015 School Construction Bond has provided much needed and significant financial resources to support and expedite the maintenance, repair and/or replacement of many of the District's facilities and/or capital equipment. Many of these deferred maintenance projects were completed as stand-alone projects and others within the scope of larger renovation projects. Others are scheduled for completion in the near future.

The estimated value of the District's buildings now exceeds four hundred million dollars. The District also owns other capital assets worth several million more. All of these assets vary in age and therefore the capital maintenance, repair and replacement schedule required to protect these assets is complex and never ending. Given these diverse and costly needs, it is highly unlikely that there will ever be a time that all assets are maintained within the high standard of manufacturer's recommended life cycle replacements.

However, staff believes that the condition of our facilities and equipment will continue to improve through the investment of dollars provided by the 2015 School Construction Bond program. Staff also believes that the data contained in this report provides adequate evidence of significant improvements and supports a change in the status of this subsection from the report of non-compliance initiated in 2015 to a status of compliance.

### **Conclusion: I report compliance.**

**The Superintendent will not:**

**3. Operate without employing risk management practices to minimize exposure of the organization, its Board, or staff to claims of liability.**

*I interpret exposure as potential vulnerability to legal claims.*

*I interpret liability as legal judgments and costs. This is interpreted to mean that the Superintendent shall have in place reasonable processes, policies, and procedures with the intent of mitigating claims of liability against the District or its employees.*

**Data Reported**

The District is protected under the statutes of the Colorado Governmental Immunity Act to a maximum of \$350,000 per individual and \$990,000 per occurrence for liability exposure.

As of April 1, 2019 there are 14 claims outstanding for the District.

Claim Type	Status	Description	Date
Liability	Open	Auto Accident	10/24/2017
Liability	Open	Coach/Student confrontation	12/2/2017
Liability	Open	Student Slip/Fall on ice	2/13/2019
Property	Open	PVHS Baseball Shed vandalism	11/27/2017
Property	Open	Turnberry Marquee damage	3/14/2018
Property	Open	Bus Accident	8/31/2018
Property	Open	Bus Accident	10/4/2018
Property	Open	BHS Modular Roof damage (wind)	11/29/2018
Property	Open	PVHS Modular Roof damage (wind)	12/12/2018
Property	Open	Auto Accident	12/21/2018
Property	Open	Auto Accident	2/6/2019
Property	Open	Bus Garage, pipe burst	2/11/2019
Property	Open	Bus Accident	2/22/2019
Property	Open	Bus Accident	2/27/2019

In addition to the information garnered from the annual financial audit, the District has in place numerous Superintendent policies designed to mitigate claims of liability against the District. These policies include, but are not limited to, the following examples:

ACE-E1	Notice of Non-Discrimination
BCB	Board Member Conflict of Interest
DJB-R	Purchasing Procedures
EBB	Accident Prevention Safety
GBAA	Sexual Harassment
JLIA	Supervision of Students
KDE	Crisis Management
LC	Conducting Education Research

**Conclusion: I report compliance.**

**The Superintendent will not:**

- 4. Allow any purchase wherein normally prudent protection has not been given against conflict of interest.**

*I interpret prudent as shrewd and cautious as applied to action or conduct.*

*I interpret protection as having reliable processes to prevent an undesirable end.*

*I interpret conflict of interest as a financial conflict between the private interests and the official responsibilities of a person in a position of trust.*

### **Data Reported**

In the Comprehensive Annual Financial Report presented to the Board on December 8, 2015, the auditors identified no conflicts of interest in their tests of data in the District. In addition to the

information garnered from the annual audit, the District has in place Superintendent Policies designed to eliminate potential conflicts of interest. These policies include:

DJG	Vendor Relations
GBEA/B	Staff Conflicts of Interest and Ethics

**Conclusion: I report compliance.**

**The Superintendent will not:**

- 5. Allow the purchase, disposal, or lease of real estate or personal property valued at more than \$20,000 without having obtained comparative prices through a fair vendor bidding process with supporting documentation.**

*I interpret having obtained to mean seeking and acquiring.*

*I interpret comparative prices and quality to mean two or more written bids on all single item or single service purchases.*

### **Data Reported**

No purchases of real estate have been conducted by staff or presented to the Board for action since the last Asset Protection report.

Typically, there are a number of real property or real property rights presented to the Board on an annual basis. Those leases fall into two major categories: oil and gas mineral rights and other property leases. Information regarding those types of leases are as follows:

## **Oil and Gas Mineral Rights**

There have been no new oil and/or gas mineral leases executed since the last report.

## **Other Property Leases**

On May 22, 2018, the Board of Education authorized the execution of a lease between Eagle County School District and 27J Schools. The lease allows Eagle County School District to utilize a District owned Modular Unit for the 2018-2019 school year for a lump sum of \$10,000. The four-classroom modular will be returned and set up at Reunion Elementary during the summer of 2019.

On June 12, 2018, the Board of Education authorized the execution of a lease with the Community Reach Center expanding the District's presence within the Brighton Learning and Resource Center from approximately 16,499 square feet to approximately 22,397 square feet. The term of the new lease is five years.

On December 11, 2019, the Board of Education authorized the subletting of the kitchen area within the Brighton Learning and Resource Center to Carrie Radmann (dba D'lish Catering). The space is subleased for \$1020 per month and the lease runs through June 14, 2019.

On January 23, 2018, the Board of Education authorized a lease with AT&T to locate a cell tower near Vikan Middle School on January 23, 2018. The lease was approved pending final negotiations with AT&T. The lease was ultimately executed on Feb. 6, 2019 and the cell tower is scheduled to be installed in the summer of 2019.

Due to the unique nature and purpose of these leases the regular vendor process was not applicable.

## **Disposal of Real Estate**

In the 2018 report, the Board of Education was presented with information on two other occasions related to the disposal of real estate.

The first was related to the dedication of right-of-way to the City of Brighton for the construction of South 19th Avenue. The dedication of the 0.94 acre (41,138 square feet) parcel was approved by the Board of Education on August 22, 2017. As of this date, this dedication has not been accepted by the City.

The second item was related to the reduction to the size of a District owned school site to 10.36 acres in the Talon Pointe subdivision located in the northwest intersection of 152nd Avenue and Quebec Street in Thornton. The Board authorized this reduction on December 12, 2017 and the final plat was approved by the City of Thornton.

Due to the unique nature and purpose of these property disposals the regular vendor process is not applicable.

There have been no other disposals of real estate requested since the last report.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**6. Engage in design, construction, or any other aspect related to development of real property including financing or payment for such services, without obtaining comparative prices through a fair bidding process with supporting documentation.**

*I interpret comparative prices to mean two or more written bids.*

### **Data Reported**

In preparation for construction projects included in the 2015 school construction bond election, staff conducted fair comparative bidding processes to select parties related to the financing, design and construction of facilities contained in the bond request.

A list of those processes is as follows:

### **FY 2019 Bid Services Report**

Main Transportation Terminal-Water Line - RFP	May 2018
Elementary School #13 Owner's Rep - RFP	June 2018
Elementary School #13 CM/GC Services - RFQ	September 2018
PVHS Track Repairs - RFP	October 2018
Stuart Gym Floor Refinishing - RFP	October 2018
Emergency Generators - RFP	December 2018
Intercom System Updates - RFP	December 2018
BLARC Community Room - RFP	February 2019
PVHS Auditorium and Stage Lighting - RFP	March 2019
PVHS Commons Expansion Architectural Services - RFP	March 2019

RFQ/P-Request for Qualifications and Proposal

CM/GC-Construction Manager/General Contractor

The appropriate departments maintain supporting documentation for the processes.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**7. Allow the Board to be unaware of the acquisition, encumbrance, lease, or disposal of real estate valued at more than \$20,000 without providing the Board with information for discussion prior to a final decision being made.**

*I interpret providing the Board with information to mean distributing relative and pertinent facts to all board members through either verbal or written methods of communication.*

*I interpret for discussion prior to a final decision being made to mean the Board is in receipt of such information prior to the establishment of the next Board agenda.*



### **Data Reported**

No purchases of real estate have been conducted by staff or presented to the Board for action since the last report.

### **Other Property Leases**

<b>Item</b>	<b>Date Presented to Board</b>	<b>Board Action Date</b>
Lease of District owned Modular Unit	May 14, 2018	May 22, 2018
Lease of Additional Space at the Brighton Learning and Resource Center	June 7, 2018	June 12, 2018
Sublease of Commercial Kitchen Space at the Brighton Learning and Resource Center	December 4, 2018	December 11, 2018

On October 23, 2018 the Board of Education received information in an executive session to receive legal advice and determine positions related to negotiations of a potential request for the temporary and permanent easements for the construction of Second Creek Pipeline project by the Metro Wastewater Reclamation District (MWRD). 27J Schools is expecting a formal letter of intent and easement packet from MWRD in early May. District staff will review the initial proposal and present the information to the Board of Education at a future date.

### **Conclusion: I report compliance.**

#### **The Superintendent will not:**

**8. Fail to protect intellectual property, information, and files from loss, improper access, or significant damage.**

**a) The Superintendent shall not fail to maintain records in a manner consistent with a Records Retention Schedule established in accordance with recommendations from legal counsel.**

*I interpret intellectual property, information, and files to mean the electronic data stored on the District servers and hardcopy records retained and used by the District for District administration and school site level purposes both original and not.*

*I interpret significant damage and loss as the inability to utilize the resource.*

*I interpret improper access as access to a resource that is not approved or allowed.*

### **Data Reported**

#### **Significant Damage and Loss**

File backups, including multi-site storage, are conducted on a daily basis. Backup logs show that the automated and manual backups are completed 99.9% of the time. These backups are regularly tested to make sure that the data can be restored if needed in the future.

Industry best practice system redundancies, advanced Redundant Array of Inexpensive Disks (RAID), N+1 configurations, and replication of data have been implemented on all critical servers and systems. The District utilizes a Storage Area Network (SAN) device to protect the data at a rate of over ten times the normal protection of a standard server system and to support a disaster recovery model in case something catastrophic happens to the Network Operations Center.

The District also utilizes a system called “Virtual Servers” which helps lower the operational costs of these servers and to help spread the data out over multiple physical servers to make sure it is more protected and easier to backup and restore.

The District owns an emergency power generator at the data center to protect from power loss for an extended period of time. The generator is powered by natural gas, which requires less maintenance than a traditional diesel generator. The generator is tested weekly to confirm it is performing properly.

### **Improper Access**

A firewall has been erected around the entire District data network to protect against damage due to unauthorized access. Regular review and compilation of security logs and automated alert systems notify staff of any unusual activity on the network so that it can be corrected immediately. This is an area that needs more attention; the District has started to take steps to identify recent areas of concern. This year we have one instance of improper access to the system. Since we put in two-factor authentication in mission critical areas to help detour improper access we have lowered the number of unauthorized successful attempts; however, more work needs to be done around the area of security as funding becomes available.

Internet content filters have been deployed to guard against misuse of District computer and network assets. These include standard web-based filters as well as network filters.

User IDs and passwords are required for access to the network and to assign security credentials for access to sensitive systems.

### **File Retention**

The District’s established records retention schedule, based on the recommendation of District legal counsel, is to accept the current Colorado School District Records Management Manual as prepared by the Colorado State Archives on September 25, 2007.

The District has obtained approval from the Colorado State Archives to use this retention schedule. This schedule is based on federal and state laws.

The District records retention schedule includes multiple sections that are audited on a regular basis, both hardcopy and electronic, to make sure that the District is maintaining records according to this schedule. The District is currently in compliance with the records retention schedule.

The District also utilizes an industry best practice email archive system to make sure that all emails, both incoming and outgoing, sent through the District email system are stored for electronic discovery requests.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**9. Receive, process, or disburse funds under controls insufficient to meet the Board-appointed auditor's standards.**

*I interpret this to mean that the District manages money and money-related transactions using a system of internal controls, which provide for separation of duties, fraud protection, and an authorization process providing reasonable assurance that appropriate controls exist. This is reasonable because independent auditors review these controls on an annual basis and report their findings to District administration and the Board of Education.*

**Data Reported**

The Local Government Audit Law (C.R.S. 29-1-601 et seq) requires the District to have an annual audit of its financial statements. The law states that the audit must be performed by an independent Certified Public Accountant (CPA) and be in accordance with generally accepted auditing standards. The Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement, and according to Section 29-1-606, C.R.S., financial statements must be approved, published, and submitted to the state auditor within six months of the close of each fiscal year. The District management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal controls that it has established for this purpose. The independent CPA publishes a management letter providing additional information on internal control and suggestions for improvement.

The auditors presented their comments and observations of the FY 2018 audit at the December 11, 2018 Board Meeting. Their management letter stated no audit findings.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**10. Compromise the independence of the Board's audit or other external monitors or advisors. Engaging parties already chosen by the Board as consultants or advisers is not permitted.**

*I interpret audit or other external monitors or advisers to mean entities which are independent of School District 27J who perform a professional service to the Board of Education in a contractual or informal manner.*

*I interpret engaging parties already chosen by the Board as consultants or advisers is not permitted to mean that the Superintendent or his designees are forbidden from entering into any relationship that would diminish the integrity of the Board's prerogative to independently seek input.*

*I interpret this to mean that the Superintendent of schools will put into place policies and protections that would prohibit internal processes which would directly or inferentially compromise the integrity of external information being presented to the Board of Education for the purposes of substantiation of presented data.*

## **Data Reported**

This past year the Board of Education of 27J Schools entered into only one external contractual agreement. This agreement was with RubinBrown LLP for the District's annual audit. Staff did not engage RubinBrown LLP or any other consultants or advisers used by the Board of Education.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**11. Invest or deposit funds that do not comply with the District's Investment Policy and applicable State law.**

*I interpret this to mean that all District funds are invested or deposited according to the applicable Colorado Revised Statutes ("CRS") including:*

- a. CRS 11-10.5-101, et. seq., Public Deposit Protection Act ("PDPA");*
- b. CRS 24-75-601, et. seq., Funds – Legal Investments;*
- c. CRS 24-75-603, Depositories;*
- d. CRS 24-75-701, et. seq., Local governments – authority to pool surplus funds.*

## **Data Reported**

All funds are deposited or invested according to applicable state law. The District has adopted an Investment Policy which complies with state law but is more restrictive in diversification and credit exposure. Authorized investments include, but are not limited to:

- Obligations of the United States Treasury
- Agencies and Instrumentalities of the federal government
- Bank deposits collateralized according to PDPA
- AA or AAA rated corporate bonds
- A-1 or P-1 rated commercial paper or negotiable certificates of deposit
- A, AA or AAA rated municipal bonds
- Money market mutual funds
- Local government investment pools ("LGIP")

All securities are held in a bank safekeeping or custodial account. Security transactions are executed on a delivery vs. payment basis. The District receives monthly statements on all investment accounts. Investments in local government investment pools (Colotrust and CSAFE) and money market mutual funds (CSIP) shall be rated AAAM.

## Data Reported

Investments organized by investment instrument for funds consist of:

<b>Investment</b>	<b>Amount at February 28, 2019</b>	<b>Interest Rate at February 28, 2019</b>
ColoTrust	\$ 15,466,719	2.60%
CSAFE	1,311,718	2.50%
Wells Fargo Trust	4,327,245	0.17%
UMB Construction Escrow	1,124,457	0.15%
PFM : 2015 Issuance	11,899,984	1.04%
PFM : 2017 Issuance	80,834,123	1.49%
<b>Total Investment</b>	<b>\$ 114,964,246</b>	

<b>As of February 28, 2019</b>		
ColoTrust Agency & Trust Fund 72	41,831	
ColoTrust Activity Fund 23	1,190,628	
ColoTrust General Fund 10	2,124,207	
ColoTrust GO Bond 2016 Fund 41	6,940,952	
ColoTrust GO Bond 2017 Fund 41	5,105,088	
ColoTrust Impact Fund 26	64,013	
<b>ColoTrust Total</b>	<b>\$ 15,466,719</b>	<b>2.60%</b>
CSAFE Pupil Activity Agency Fund 74	282,991	
CSAFE Nutrition Fund 21	1,028,728	
<b>CSAFE Total</b>	<b>\$ 1,311,718</b>	<b>2.50%</b>
Wells Fargo Trust Debt Fund 31 Total	<b>\$ 4,327,245</b>	<b>0.17%</b>
UMB Construction Escrow	<b>\$ 1,124,457</b>	<b>0.15%</b>
PFM : Series 2015 GO Bonds	11,899,984	1.04%
PFM : Series 2017 GO Bonds	80,834,123	1.49%
<b>PFM Asset Management Building Fund 41 Total</b>	<b>\$ 92,734,107</b>	
<b>Totals</b>	<b>\$ 114,964,246</b>	

Investments organized by investment instrument for funds within the Construction Fund consist of:

<b>Fund</b>	<b>Par Amount</b>
Colotruster General Obligations Bond	
External Investment Pool	12,046,040
<b>Subtotal</b>	<b>\$ 12,046,040</b>
UMB Construction Escrow Series 2016	
Money Market	1,124,457
<b>Subtotal</b>	<b>\$ 1,124,457</b>
PFM Asset Management: 2015 Issuance	
Federal Agency Bonds and Notes	\$ 8,759,711

Government Select, Colorado Investments	3,140,273
<b>Subtotal</b>	<b>\$ 11,899,984</b>
PFM Asset Management: 2017 Issuance	
Federal Agency Bonds and Notes	\$ 80,754,409
Government Select, Colorado Investments	79,714
<b>Subtotal</b>	<b>\$ 80,834,123</b>
<b>Totals</b>	<b>\$ 105,904,605</b>
<b>Interest Rate</b>	Varies by maturity date

**Conclusion: I report compliance.**

**The Superintendent will not:**

**12. Endanger the organization's public image, its credibility, or its ability to accomplish goals.**

*I interpret public image as inclusive of the opinions and perceptions of the taxpaying public at large, governmental entities, and private companies that assist in the development of District assets, including facilities and equipment.*

*I interpret credibility as maintaining high public trust as ethical stewards for the community.*

*I interpret to accomplish goals as meaning the District's image will not detract from the organization's ability to meet the goals.*

### **Data Reported**

The protection of the District's public image and credibility as it relates to its ability to accomplish its goals is a responsibility shared by all of the Superintendent's staff. This report will focus primarily on the communication efforts made by staff to support and protect the District's public image as well as two surveys of the entities that assist in the development of District assets. Other data related to the organization's public image, credibility, and ability to accomplish goals will be reported in Report 3.A – Treatment of Students/Public.

### **Surveys**

To ascertain private business, government officials' and or community leaders' perception of the District's public image, credibility, and/or its ability to accomplish goals related to the protection and development of the District's capital assets, two surveys were conducted. The confidential, on-line surveys were conducted under the auspices of the 2015 Bond Oversight Committee consistent with its charge to monitor and communicate to the general public the activities and expenditures of the 2015 School Construction Bond program. The information received through this survey will be reported to the Bond Oversight Committee directly and to the Board through this report.

The surveys were initiated on March 26, 2019 and potential respondents received three reminders to complete their respective survey. While the number of responses received was low and likely inconclusive, it does provide general information relative to the District's credibility and ability to meet its goals as it relates to the development of District assets.

The first survey was directed to private contractors who have submitted bids to perform services in a wide variety of construction projects. The second survey was e-mailed to governmental officials and/or community leaders to ascertain their knowledge of the 2015 School Construction Bond program.

Eighty-five surveys were e-mailed to private contractors who submitted bids to perform services in a variety of construction projects. Eighteen responses were received. The survey questions and results are as follows:

Did you receive adequate notice to bid District projects?

Yes - 17    No - 0    N/A - 1

Was the bid information adequate enough for you to submit a bid/proposal?

Yes - 17    No - 0    N/A - 1

Did you receive timely and complete responses to questions about bid submittal information?

Yes - 16    No - 0    N/A - 2

Will your firm be bidding on future projects with 27J Schools?

Yes - 17    No - 0    N/A - 1

Comments:

- Thank you for the opportunity to work with 27J!
- These questions are not applicable to the projects that we have pursued. We have responded to CM/GC RFP's with 27J in the past, and have not had any issues. We would consider bidding and or negotiating future projects with 27J.
- The information provided by the District was clear and concise.
- The RFP had great clarity.
- The weather event referred to as the "Cyclone Bomb" created a little communication gap, but all got done.
- We had our start up meeting with staff last week. It looks like the District is very well organized and staff have great passion for their work. We hope to secure additional work.
- Always great working with 27J!
- (Company name) appreciates the District and we greatly value our long standing working relationship and history with the District's Team. We also appreciated and enjoyed working with your team on the concept/schematic design of the commons addition to Prairie View High School.
- We received this notice on BidNet, would very much be interested in receiving all notices the District puts out.
- Again, would be very interested in all projects, large or small that the district has in the future

- I recently purchased (company name) from the previous owner. This was my first dealings with 27J. I look forward to working with your school district in the future. Please keep (company name) aware of any future work you would like bid.

The second survey was sent to 45 government official survey and/or community leaders. Thirteen responses were received. The survey questions and results are as follows:

Are you aware of the projects and progress made towards completing the projects related to the 2015 Bond Program?

Yes - 10    No - 3    N/A - 0

If so, how did you receive information related to the 2015 Bond Program?

- Received information through e-mails, website, school board - 5
- Received information through on going correspondence with the city - 3
- Website - 2

Do you trust the District to accomplish the goals of the 2015 Bond Program in an ethical manner?

Yes - 8    No - 4    N/A - 1

Does the District build positive relationships with your organization as it relates to the development of the District's capital assets?

Yes - 8    No - 4    N/A - 0

### **Communications**

Communications purchased two Blackboard tools to better communicate with internal and external audiences. Both tools are currently being tested and will be rolled out to all 27J Schools for the 2019-2020 school year.

1. Blackboard Ally – an ADA compliant tool that helps institutions build a more inclusive learning environment and improve the student experience b helping them take clear control of course content with usability, accessibility and quality in mind.
2. Blackboard Mass Notifications – Allows users to write a message once, select preferred communication methods and publish across desired channels, saving time, creating consistency and building capacity.

In 2018, Communications introduced TeacherLists to all schools. This free tool allows school staff to upload school supply lists and have the m digitized into a format that allows users to find and shop their child's supply lists easily and with the convenience of in-store pickup or one-click shopping from national retail partners including Target, Walmart, Amazon, and Office Depot.

In addition, Communications has successfully switched from a printed newsletter to a digital publication - The Link. Issues are interactive and dynamic incorporating hyperlinks, photo galleries and video.

Communications is increasingly using video as an avenue to communicate. This past year, videos were used to highlight New Teacher Orientation, educate the community on Amendment 73, announce the



openings of Riverdale Ridge High School, and Quist Middle School, explain the Thinking Classroom, and to demonstrate the various pathways available to students at Prairie View High School.

Communications continues to assist schools and departments with webpage updates, communications campaigns, advertising and marketing, media requests, coverage of programs and events, bond-related, events, emergency messaging, and addressing community questions and concerns.

District staff has played an active role in the Our Schools Our Community initiative, a state-wide, collaborative effort to change the narrative around public education in Colorado. They have participated in presentations at the Colorado Association of School Boards (CASB), Colorado School Public Relations Association (COSPPRA), and Colorado Association of School Executives (CASE) conferences.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**13. Change the organization's name or substantially alter its identity.**

*I interpret the organization's legal name to be Adams County School District 27J, Adams/Weld School District 27J, and Brighton School District 27J commonly referenced as School District 27J. I interpret this to mean that the Superintendent of Schools is prohibited from the initiation of any organizational process or the direction of any staff member to put into place any procedure that would substantively alter the District's common and/or legal name. I interpret this to mean the Superintendent shall not put into place or implement any strategy which would subsequently modify the historical or local identity of the school District as a public K-12 system within the state of Colorado.*

**Data Reported**

During the past calendar year, the Superintendent took no action to change the organization's name or alter its identity.

Since the last Asset Protection report, the District has undertaken an effort to rebrand the District as 27J Schools. This rebranding effort currently includes a new logo, letterhead and district-wide website template. Other activities related to the rebranding are being designed and implemented.

This rebranding in no way impacts the District's common and/or legal name.

**Conclusion: I report compliance.**