

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday January 16, 2025 at 4:00 PM

Location

Veritas Prep Charter School 1st Floor Conference Room or Dial-In Number: 866-848-2216,
Conference Code: 7783935205, Leader Code: 2356

[Join Zoom Meeting](#)

ID: 82384629673

Passcode: 966439

[\(US\) +1 929-205-6099](#)

Passcode: 966439

Committee Members Present

D. Ford (remote), M. Landon (remote), R. Martin (remote)

Committee Members Absent

A. Martínez, D. Fuller

Guests Present

L. Goncalves (remote), N. Gauthier (remote), R. Romano (remote)

I. Opening Items

A.

Record Attendance

B. Call the Meeting to Order

D. Ford called a meeting of the Finance Committee of Veritas Preparatory Charter School to order on Thursday Jan 16, 2025 at 4:04 PM.

C. Approve Minutes

M. Landon made a motion to approve the minutes from Finance Committee Meeting on 12-19-24.

R. Martin seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Commercial Insurance Package Discussion

Insurance Coverage Overview

Mike Lucas, from Assured Partners with 25 years of experience, presented a comprehensive overview of Veritas' insurance coverage.

- The coverage is designed to protect against operational liability, management liability, and asset protection.
- The insurance program is part of a consortium model that allows charter schools to access education-based insurers and benefit from scale pricing without sharing risk.
- General liability coverage of \$1 million per occurrence protects against student injuries and other liability claims, with no deductible.
- An umbrella policy increases total liability coverage to \$10 million, which is standard for charter schools of Veritas' size.
- Cyber liability coverage of \$1 million is provided by Beazley, a specialist in this area, covering data breaches and denial of service attacks.
- Property coverage has been increased to \$21.6 million to ensure full replacement cost for school buildings and contents.
- Flood and earthquake coverage has been added, which is standard for building owners in the portfolio.

Importance of Early Reporting and Communication

For most claims (except workers' compensation), schools should report to Mike's team first, who will then work with adjusters to shepherd the claim through to closing.

- Hanover Insurance Company, the primary carrier, provides strong support in handling and paying claims, including complex situations.
- Proactive communication with insurers can lead to favorable outcomes, such as contribution to severance packages in employment disputes.

- For workers' compensation claims, schools should report directly to Atlantic Charter, the workers' comp carrier.

Initial Budget Projections for Next Insurance Renewal

Cyber liability and workers' compensation rates are expected to remain flat.

- Property insurance rates may increase by about 10% due to global weather events impacting the reinsurance market.
- Liability coverage rates are expected to remain stable, as charter schools outperform other education segments in terms of claims.
- A more detailed budget discussion will occur in February after meeting with Hanover to discuss their projections for the portfolio.

B. Monthly Financial Reports

Financial Update for Veritas

There was a slight increase in per-pupil tuition projection.

- Enrollment is holding steady and is expected to meet the budgeted 695 student number.
- The school is currently understaffed, resulting in salary savings but not ideal for operations.
- Cash reserves are approaching 45 days, which was the target discussed at the beginning of the year.
- The finance team's discipline in cutting unnecessary expenses by 20% has contributed to the improved financial position.
- Representatives from People's Bank will attend next month's meeting to discuss the bank's decision to drop their Depositors Insurance (DI) coverage for amounts over \$250,000 and options for sweep accounts to manage Veritas' increasing cash reserves.
- Lynne and Rachel will explore additional options for managing the school's growing cash position, which is approaching \$2 million.

C. Cash Flow Overview

The committee reviewed the cash flow dashboard, which provides both projections and monthly updates. Currently, the monthly cash flow is nearing the 45-day reserve target discussed earlier in the year. If expenses remain steady and there are no unexpected costs, the year is projected to end close to the 45-day mark. However, reaching the 60-day reserve goal is unlikely this year.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:04 PM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- Financial Reports to Finance Committee January.pdf
- DESE Dashboard.pdf
- QB Statement of Cash Flow.pdf