APPROVED

Lawrence Family Development Charter School

Minutes

LFDCS Finance Committee Meeting

Date and Time
Wednesday September 3, 2025 at 5:30 PM

Location
ZOOM

Committee Members Present
C. Needham (remote), D. DeFillippo (remote), J. Henriquez (remote), L. McRae (remote)

Committee Members Absent
G. Lopez

Committee Members who arrived after the meeting opened
L. McRae

Guests Present
D. Thakkar (remote), M. Ventre (remote), S. Stukuls (remote), Y. Rodriguez (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

C. Needham called a meeting of the Finance Committee of Lawrence Family Development Charter School to order on Wednesday Sep 3, 2025 at 5:37 PM.

C. Approve Minutes from 08.06.25 Finance Meeting

D. DeFillippo made a motion to approve the minutes from LFDCS Finance Subcommittee Meeting on 08-06-25.
J. Henriquez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call	
G. Lopez	Absent
C. Needham	Aye
D. DeFillippo	Aye
L. McRae	Absent
J. Henriquez	Aye

II. Business Items

A. NetSuite and access to financial data

Mark V. provided the committee with an update on NetSuite and the school's access to the platform. He explained that the school has not yet been able to log in to the system. LFD began using NetSuite on November 1 but allowed their subscription to lapse around June 15, at which point they reverted to QuickBooks. They merged data from QuickBooks Desktop and NetSuite into QuickBooks Online, a process that took most of the summer. During reconciliation, it became clear that the data did not convert correctly, resulting in multiple deficiencies and reliability issues.

In response, Mark V. requested access to NetSuite to recover the school's financial records. However, access was delayed due to an outstanding balance owed by LFD. NetSuite has since confirmed that the renewal is now active, and Mark V. expects access to be restored by the end of this week.

Once access is regained, the school will be able to complete entries for June 2025 in NetSuite (from the point LFD stopped recording data), enter information for FY26 through the present, finalize the audit, and then begin the transition to QuickBooks Online. The school may also consider remaining with NetSuite if an incentive is offered, though it remains significantly more costly than QuickBooks.
Mark V. reported that the auditors are scheduled to begin their fieldwork in two weeks. Given the tight timeline, he proposed holding a special finance or audit committee meeting during the last week of October to review and approve the audit, ensuring compliance with DESE's November 1 deadline. After that, the audit would be presented to the full board at the November board meeting.

Chris N. recommended October 29 as a tentative date for the finance/audit committee meeting. Mark V. agreed, noting that the timing would allow the audit to be completed and that he would provide a draft report as soon as it becomes available, giving the committee time to review in advance.

When Chris N. asked whether the auditors would attend the October 29 meeting, Mark V. responded that he does not anticipate any issue with their participation.

B. Auditors

Darshan T. informed the committee that an engagement letter has been received from AAFCPAs based on their proposal. The letter outlines the scope of services and associated fees.

AAFCPAs will conduct the FY25 audit, which covers financial statements, compliance testing, and reporting in accordance with auditing standards for the year ending June 30, 2025. The base fee is $39,000, with an additional one-time charge of $3,000–$5,000 for testing balance transfers between systems. The total cost will therefore range between $42,000 and $44,000.

The firm has requested 50% of the fee to be paid at the start of fieldwork, with the remaining balance due upon completion of the audit. Copies of the engagement letter were sent to Chris N. and Darshan T.
L. McRae arrived at 5:50 PM.

C. Lease

Darshan T. updated the committee on his recent meeting with LFD's Executive Director, Dan Halloran. Their discussion focused on two main topics: the lease agreement and facility staff accruals.

Dan H. also raised the issue of facility staff accrual payments, stating he had assumed the school was responsible. Darshan T. clarified that it is LFD's responsibility to cover accrued payments upon staff separation. Dan H. asked whether payments should be issued as W-2 or 1099, noting that W-2s would be difficult since the individuals are no longer employees. He suggested 1099s as an alternative. Darshan T. reminded him that, regardless of method, LFD must make full payment and cover applicable employer taxes. He advised Dan H. to consult LFD's attorney for resolution. Dan H. has already requested accrual data from the school's payroll administrator.

Dan H. reported that LFD's counsel, Wayne, presented four major concerns about the lease to LFD's board. The board was open to compromise on three of them, but Dan H. could not recall the specifics. He noted that Wayne would provide additional information to the school's attorney, who would then share it with Darshan T. and the school.

Mark V. added that the school plans to engage surveyors to obtain accurate legal descriptions of seven properties, including the school buildings, gym, and parking areas. The survey, estimated at $32,000, is necessary to support the school's potential purchase of the properties and to ensure clarity regarding boundaries and rights, since

current lease descriptions may be inaccurate. Kathy from Krokidas & Bluestein also expressed concern about the accuracy of the existing descriptions.
Dan H. questioned whether it was wise to incur survey costs before finalizing the lease, given that the fund has not yet confirmed the purchase option or right of first refusal. Mark V. noted that while there are still five unresolved points in the lease negotiations, the fund will not sign without a completed survey. Although one option would be to sign with current descriptions and amend later, LFD has stated they will not agree to amendments once the lease is executed. This makes completing the survey beforehand the safer option, despite the risk of delaying finalization.

Chris N. asked whether the finance committee's approval was needed to move forward with the survey. Both Mark V. and Darshan T. recommended proceeding now. Dave D. raised a concern that the survey might add more square footage to the lease, but Mark V. clarified that the focus is on property lines and legal descriptions, not building measurements. For instance, the survey will confirm lot boundaries for properties at 400 and 404 Haverhill Street and the gym on Bradford Street.

Chris N. asked if Kathy from Krokidas & Bluestein recommends moving forward with the survey, to which Darshan T. confirmed yes she does. Mark V. emphasized that delaying risks LFD rejecting updated descriptions later. Dave D. added that LFD could reject the survey results whether conducted before or after signing the lease.

Chris N. then asked about legal fees, and Yulissa reported they have already reached $115,233. Based on legal and management recommendations, Chris N. agreed with proceeding with the survey.

C. Needham made a motion to have an Audit Committee meeting on October 29, 2025 at 5:30pm.
D. DeFillippo seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

D. DeFillippo	Aye
C. Needham	Aye
J. Henriquez	Aye
G. Lopez	Absent
L. McRae	Aye

C. Needham made a motion to authorize the school to engage with the appropriate company to survey the properties for the potential lease agreement.
D. DeFillippo seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

D. DeFillippo	Aye

Roll Call

L. McRae	Aye
J. Henriquez	Aye
G. Lopez	Absent
C. Needham	Aye

- Mark V. reported that progress is being made towards finalizing the lease. According to Wayne, LFD's attorney, LFD considers six months to secure financing and six months to close as a fair timeline. The school has requested one year to close, which Mark V. noted is essentially aligned with LFD's position.

D. Purchase Financing

Mark V. shared that two key factors are affecting the timeline for purchasing, finalizing the lease and completing the FY25 audit.

There has been discussion about running the purchase process in parallel once the lease is finalized. They have received a quote of $180,000 for an engineering survey, which would assess the buildings, create a 10-year maintenance plan, and include environmental testing.

Chris N. clarified that the engineering study should be initiated only when the school formally begins the purchase, as it is necessary for both purchasing and financing. Mark V. confirmed that the current work is a preliminary setup to avoid impacting the timeline for completing the purchase.

III. Closing Items

A. Other Business

Mark V. introduced the idea of establishing a sweep cash account for the school's checking balance. This would provide FDIC insurance coverage and generate interest, which the school currently does not have.

Funds in the sweep account will automatically be transferred into the school's operating account, and all checks/payments will be drawn from it.

Chris N. suggested adding this proposal to the agenda for the upcoming board meeting.

B. Adjourn Meeting

D. DeFillippo made a motion to adjourn the meeting.
J. Henriquez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

G. Lopez	Absent

Roll Call

L. McRae Aye
C. Needham Aye
D. DeFillippo Aye
J. Henriquez Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:13 PM.

Respectfully Submitted,
Y. Rodriguez

Documents used during the meeting

None