APPROVED

Lawrence Family Development Charter School

Minutes

Finance Subcommittee Meeting

Date and Time
Tuesday December 2, 2025 at 5:30 PM

Location
Online via Zoom only.

Committee Members Present
C. Needham (remote), D. DeFillippo (remote), G. Lopez (remote), J. Henriquez (remote)

Committee Members Absent
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 Tuesday Dec 2, 2025 at 5:32 PM.

C. Approve Minutes

D. DeFillippo made a motion to approve the minutes from Finance Committee Meeting on 11-04-25.
J. Henriquez seconded the motion.

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

Roll Call

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

II. Business Items

A. Lease update

Mark V. provided the committee with updates regarding the lease between LFDCS and LFD. He, along with Darshan T., attorneys from Krokidas & Bluestein working on the lease, and a representative from Feldman Geospatial, met earlier today. During the meeting, they reviewed the surveyor's report, and the title insurance company raised several questions and areas of concern.

The purpose of the title review is to identify potential issues the school should anticipate prior to seeking financing to purchase the buildings, as any financing institution will require this information at the outset. The school is undertaking this work proactively in order to address and remediate issues where possible or to be prepared to provide appropriate explanations.
One issue identified is that the fund granted an easement on a property it does not own. The property, located at the corner of West Street and Haverhill Street, belongs to another business. The easement was granted to allow a solar company to connect to the grid. This matter will need to be resolved before moving forward. In addition, there are liens and loans held by the fund that were never properly discharged.

The title company will continue its review, and Anthony C. will share a draft of the survey with the fund's attorney. Krokidas & Bluestein will present a risk assessment outlining the outstanding title concerns. The school will then need to determine how to proceed, either by accepting the identified risks and signing the lease or by pushing back on the fund to seek a resolution.

There was also discussion regarding a potential railroad easement. HK Webster, the original owner of 34 West Street, may have had an old railroad spur connecting from behind Railroad Street to 34 West Street. Railroad easements require state approval, which is a time-consuming process and would need to be initiated soon if the school seeks a waiver. Once there is greater clarity on the scope of the title issues, the school will be in a better position to decide next steps regarding execution of the lease and potential recovery in the purchase price.

With respect to acquisition and advisory services, Krokidas & Bluestein will provide a list of potential advisors. Anthony C. indicated that financing advisors will likely be subject to public procurement requirements and may need to be selected through an RFP process. The school will also pause the Rimkus capital assessment survey until a financial advisor is engaged to advise on the appropriate scope of assessments. While the expense was approved at the last Finance Committee meeting, the assessment is currently on hold.

Mark V. also shared an update regarding the debt covenant. The school is not entitled to loan information beyond what LFD voluntarily shares. Representatives from Rockland Trust confirmed they could not discuss loan details with the school. Darshan T. and Dan H. met, and Dan H. did not express any concerns during that discussion, which suggests the school is not out of compliance.

Krokidas & Bluestein will research and provide the previously recorded rent assignment that Enterprise Bank filed with the Registry of Deeds. It is expected that Enterprise Bank has an agreement with the fund allowing it to assume rent collection in the event of a loan default by the Fund. Enterprise Bank also appears not to be tracking the lease timeline, as it has not requested updated lease information despite the school being six months into the new lease. Overall, until the lease is executed, the school will have no visibility into the loan status or the fund’s financial position.

Darshan T. added that the title insurance issues, including encroachments, fall under Schedule B exceptions. For leasehold title insurance, the school may need an additional evaluation and may wish to explore this further before proceeding.

B. Audit update

Mark V. provided the committee with an update on the FY25 audit. The audit findings included issues related to general ledger maintenance, which was the responsibility of the fund, as bank reconciliations had not been completed for an eight-month period. Additional significant deficiencies were identified, including MTRS remittances that were not submitted to the state in a timely manner, incomplete payroll records such as missing I-9 and W-4 forms, and the absence of a certified procurement officer or documentation certifying Susan Perry in that role.

In response, the school plans to adopt a formal accounting policy to ensure timely monthly closings, including procedures to verify assets and liabilities through regular balance sheet reconciliations. These measures are intended to support timely and reliable financial reporting and budget-to-actual analysis. The school will also develop month-end checklists to ensure completeness, establish appropriate separation of duties, and implement review procedures to confirm accuracy and reduce the risk of irregularities or misstatements in the financial statements.

Darshan T. noted that DESE will be looking for a management response that clearly addresses how the school intends to remediate the material weaknesses and significant deficiencies identified in the audit, and that the proposed response adequately captures these corrective actions.

Chris N. asked whether the school currently has financial records for the year. Mark V. responded that it does not. The next step is to bring the accounting system up to date. Due to multiple transitions, the current QuickBooks instance is unreliable and not in a condition to generate an accurate general ledger. The school will begin entering transactions from July 2025 forward into a new QuickBooks instance. This work could not be completed concurrently with the audit and the extensive cleanup required.

Chris N. also asked whether any additional actions are required by the Audit Committee for submission of the FY25 audit report to DESE by the January 1 deadline. Mark V. explained that the only outstanding item is the DESE OMB supplement, which had been delayed due to the government shutdown but is now available. AAF will complete the single audit related to the ESSR grant for inclusion with the submission.

Once the auditors issue the final report, a meeting will be held to vote on and approve it, after which it will be uploaded to DESE by the deadline. Mark V. indicated that either a brief meeting or written consent could be used for approval if there are no changes, which he does not anticipate. The final report will be circulated to committee members, who will confirm their approval by email. If any issues require further discussion, additional follow-up meeting could be scheduled, although this may be challenging given the holidays and committee members' availability. Mark V. reiterated that he does not expect changes to the report, as AAF has been addressing the OMB standards for over a week, and Darshan T. confirmed that the auditors' draft reported no findings related to the ESSR grant.

Chris N. requested that the final version of the management response be included with the report distributed to the committee for review.

Dave D. asked when Mark V. anticipates the first financial report will be available once the accounting system is brought up to date. Mark V. responded that he expects the first report to be ready for either the January or February meeting, depending on the turnaround time between month-end close and the Finance Committee meeting. Chris N. noted that if the report is not available until February, having at least the December's financial report would be helpful, as the committee has not received financial reports for several months.

III. Closing Items

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:05 PM.

Respectfully Submitted,
Y. Rodriguez

Documents used during the meeting

None