

**Urban Prep Board of Directors Minutes  
from the Meeting Held at Urban Prep Englewood Campus (6201 S. Stewart) on  
December 17, 2025 at 4:30 pm.**

I. Call to Order	The meeting was called to order at 4:53pm.
II. Roll Call <sup>1</sup>	A quorum was present with the following attendees: Ben Blakeley (B), Tyler Beck (B), Victor Henderson (B); Brida Collins (B), Pam Johnson (B), Tre Childress (B), Dennis Lacewell (S)
III. Public Comment	No public comment
IV. Old Business	No old business
V. New Business	<p><b>Statement of Purpose of the Meeting</b></p> <p>The Chair stated:</p> <p style="padding-left: 40px;">“This Emergency Meeting has been convened to discuss and take action regarding the approval of the revised FY25 Audit to be submitted to CPS.”</p> <p><b>Deferral of Approval of Previous Meeting Minutes</b></p> <p>Approval of the October 30, 2025 regular Board meeting minutes was deferred until the next scheduled meeting on January 27, 2026.</p> <p><b>Review of Audit</b></p> <p>The Board conducted an extensive review of the FY24–FY25 audit documents, including the Independent Auditor’s Report, Statements of Financial Position, Statements of Activities, and the accompanying notes.</p> <p><b>Key Discussion Themes</b></p> <p>1. Thoroughness and Quality of the Audit</p> <p>Board members raised multiple concerns regarding the depth and clarity of the audit, including:</p> <ul style="list-style-type: none"> <li>● Limited narrative explanation for significant financial shifts.</li> <li>● Insufficient detail on internal control processes, despite the auditor reporting no material weaknesses.</li> <li>● The need for clearer documentation of audit procedures and sampling.</li> </ul> <p>Members emphasized that while the audit met technical compliance standards, it lacked the level of transparency and explanatory detail needed for strong governance oversight.</p>

## 2. Causality for the Current Financial Situation

Board members discussed several contributing factors reflected in the audit, including:

- A \$674,364 decline in cash from FY23 to FY24 (from \$1.4M to \$730K).
- A \$1.3M drop in CPS and ISBE revenue, including the complete loss of ISBE funding.
- A \$486,374 operating loss for FY24.
- A \$259,353 prior period adjustment, indicating historical accounting errors and unresolved inter-company balances.
- Rising long-term liabilities, including the \$2M SBA disaster loan.

Members expressed concern that the audit did not sufficiently explain the root causes of these trends or the operational decisions that contributed to them.

## 3. Recommendations for Improving Fiscal Systems

The Board discussed and articulated several recommendations for Urban Prep leadership, including:

- Strengthening internal financial controls and reconciliation processes.
- Implementing monthly cash-flow reporting and variance analysis.
- Establishing a clear receivables collection strategy.
- Conducting a mid-year internal financial review to prevent future prior-period adjustments.
- Increasing transparency between finance staff and the Board's finance committee.

The Board emphasized that fiscal discipline and system modernization must be prioritized immediately.

### **Board Action Item**

Motion:

To approve the Urban Prep Academies FY25 Audit for submission to CPS with the explicit intention to resubmit a revised audit after additional scrutiny and clarification from the auditor.

Vote:

- Yes: Beck, Blakeley, Collins, Childress
- Abstain: Johnson, Henderson
- No: None

Outcome: Motion passed.

The Board directed leadership to engage the auditor promptly to address outstanding questions and prepare for a potential resubmission.

VI. Adjournment

A motion to adjourn the meeting at 5:54 p.m. was made by Tyler Beck, seconded by Ben Blakeley. Unanimously approved.

<sup>1</sup> B=Board Member; S=Staff Member; O=Other