

February 28, 2024

Baker Tilly US, LLP  
790 N. Water St, Suite 2000  
Milwaukee, WI 53202

Dear Baker Tilly US, LLP:

This representation letter is provided in connection with your review of the consolidated financial statements of Graduate School of Banking, Inc. and Herbert V. Prochnow Educational Foundation, Inc. (collectively the Organization), which comprise the consolidated statement of financial position as of October 31, 2023, and the related statements of activities, cash flows, and functional revenues and public support and expenses for the year then ended, and the related notes to the consolidated financial statements, for the purpose of obtaining limited assurance as a basis for reporting whether you are aware of any material modifications that should be made to the consolidated financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We represent that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 28, 2024:

**Financial Statements**

- 1) We acknowledge our responsibility and have fulfilled our responsibilities for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility and have fulfilled our responsibilities for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 6) Guarantees, whether written or oral, under which the Organization is contingently liable have been properly accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with Financial Accounting Standards Board (FASB) *Accounting Standard Codification (ASC) 275, Risks and Uncertainties*, have been properly accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the statement of financial position date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 8) All events occurring subsequent to the date of the consolidated financial statements and for which U.S. GAAP requires adjustment or disclosure have been properly accounted for, and has made the necessary adjustments and disclosures.
- 9) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the consolidated financial statements as a whole.
- 10) The effects of all known actual or possible litigation and claims have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

#### Information Provided

- 11) We have responded fully and truthfully to all inquiries made to us by you during your review.
- 12) We have provided you with
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the consolidated financial statements, such as records, documentation, and other matters;
  - Minutes of meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared;
  - Additional information that you have requested from us for the purpose of the review; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain review evidence.
- 13) All transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.
- 14) We have no knowledge of any fraud or suspected fraud known to management that may have affected the entity and involves
  - Management,
  - Employees who have significant roles in internal control, or
  - Others when the fraud could have a material effect on the consolidated financial statements.

- 15) We have no knowledge of any allegations of fraud, or suspected fraud, known to management that may have affected the entity's consolidated financial statements as a whole communicated by employees, former employees, analysts, regulators, or others.
- 16) We have no plans or intentions that may materially affect the carrying amounts or classification of assets and liabilities.
- 17) We are not aware of any known actual or possible litigation and claims whose effects should be considered when preparing the consolidated financial statements and we have not consulted legal counsel concerning litigation or claims.
- 18) We have disclosed to you any other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*.
- 19) We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.
- 20) No material losses exist (such as from obsolete inventory or purchase or sale commitments) that have not been properly accrued or disclosed in the consolidated financial statements.
- 21) The Organization has satisfactory title to all owned assets, and no liens or encumbrances on such assets exist, nor has any asset been pledged as collateral, except as disclosed to you and reported in the consolidated financial statements.
- 22) We have complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.

#### **Assets**

- 23) The methods and significant assumptions used to determine fair values of financial instruments are as follows: Common stocks and funds, preferred stocks and funds, and bond sector ETF's are valued at the quoted exchange price of the related asset at market close. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
- 24) Receivables recorded in the consolidated financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
- 25) We believe that all material expenditures that have been deferred to future periods will be recoverable.

#### **Liabilities**

- 26) Graduate School of Banking, Inc. and Herbert V. Prochnow Educational Foundation, Inc. are exempt organizations under Section 501(c)(3) of the Internal Revenue Code. Any activities, if any, of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 27) We are not aware of any uncertain tax positions that would be required to be disclosed under current authoritative guidance surrounding accounting for uncertainty in income taxes.
- 28) We are not aware of any material losses that are probable resulting from environmental remediation issues associated with any of the Organization's long-lived assets that are required to be recorded in accordance with current accounting standards.

**Statement of Activities**

- 29) We have fully disclosed to you all sales terms, including all rights of return or price adjustments and all warranty provisions.
- 30) The Organization has properly recorded, classified, and disclosed the existence or absence of donor imposed restrictions on contributions received that would have a material effect on net assets with donor restrictions in the consolidated financial statements in accordance with U.S. GAAP
- 31) We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the consolidated financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy the donor's restrictions.

**Other**

- 32) We have implemented Accounting Standards Update (ASU) No. 2016-02 during the review period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the ASU. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the consolidated financial statements
- 33) We acknowledge our responsibility for presenting the supplemental information in accordance with U.S. GAAP, and we believe the supplemental information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplemental information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 34) We have evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. We did not identify any conditions or events that we believe raise substantial doubt about the Organization's ability to continue as a going concern.
- 35) Scholarship expenses are recorded when the scholarships become unconditional, that is when no right of return or barrier exists. We have determined that scholarships become unconditional upon the students meeting the attendance requirements of the scholarships.

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Kirby Davidson  
President & CEO

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Katie Bolen-Irwin  
Controller