A G E N D A

Graduate School of Banking and Herbert V. Prochnow Educational Foundation
Boards of Trustees
Monday, April 1, 2024
2:00 p.m. (Central)
Via MS Teams

				GSB	**PEF**
	1.	Call to Order	Hultgren	X	X
✓	2.	Approval to Combine GSB & PEF Meetings	Hultgren	X	X
✓	3.	Appoval of Minutes: Meetings of November 14, 2023	Hultgren	X	X
	4.	Standing and Special Committee Reports			
		a. Finance and Audit Committee			
✓		-- FY2023 GSB/PEF Consolidated Financial Review Report	Adelman/Baker Tilly	X	X
		-- FY2024 Financial Update (as of 3/15/24)	Adelman	X	X
		-- GSB/PEF 990s	Adelman	X	X
		b. GSB/PEF Executive Committee	Hultgren		
✓		-- Suggested GSB Bylaws Change		X	
		c. PEF Mission Committee	Van Til		
✓		-- FY25 Scholarships			X
✓		-- GSB HR School At-Large Scholarship			X
	5.	President's Report	Davidson	X	X
	6.	Curriculum Advisory Committee Update	Wear	X	
	7.	Banker Advisory Board Update	Johnson	X	
	8.	Schedule of Future GSB Board Meetings	Patterson	X	X
		-- 2024 Summer Virtual Board Meeting			
		-- Thursday, June 13 from 10:00-11:30 a.m. (Central)			
		-- 2024 Central States Conference			
		-- "Meet the New CEO Reception" for GSB/PEF Trustees			
		-- Monday, June 24, from 5:00-6:00 p.m. at conference hotel (room tbd)			
		-- 2024 Fall Board Meetings: (in conjunction with ABA State Execs Workshop)			
		-- Tuesday, November 19			
		-- La Quinta Resort, Palm Springs, CA			
		-- Exec & Finance Committees -- 8:00-11:00 a.m.			
		-- Board Meeting -- 1:00-4:00 p.m.			
		-- Trustee Reception & Dinner -- 6:00-8:00 p.m.			
	9.	Other Business and Concluding Comments	Hultgren	X	X
	10.	GSB/PEF President & CEO Search Committee Update - Executive Session	Oswald Poels	X	X
✓	11.	Adjournment	Hultgren	X	X

✓ Item Requiring Formal Board Action

MINUTES OF BOARD OF TRUSTEES MEETING

Graduate School of Banking
Tuesday, November 14, 2023
The French Quarter Inn
Charleston, SC

PRESENT

Randy Hultgren, President and CEO, Illinois Bankers Association, Springfield, *CHAIR*
Karl Adam, President, South Dakota Bankers Association, Pierre, *VICE CHAIR*
Lorrie Trogden, President and CEO, Arkansas Bankers Association, Little Rock, *IMMEDIATE PAST CHAIR*
Michael J. Adelman, President and CEO, Ohio Bankers League, Columbus, *TREASURER*
Kirby Davidson, *PRESIDENT AND CEO*
Karl Adam, President, South Dakota Bankers Association, Pierre
Michael J. Adelman, President and CEO, Ohio Bankers League, Columbus
Richard Baier, President & CEO, Nebraska Bankers Association, Lincoln
Adrian Beverage, President and CEO, Oklahoma Bankers Association, Oklahoma City
Jackson Hataway, President and CEO, Missouri Bankers Association, Jefferson City
Betsy Johnson, President and CEO, Solutions Bank, Forreston, Illinois
Rose M. Oswald Poels, President and CEO, Wisconsin Bankers Association, Madison
Rann Paynter, President and CEO, Michigan Bankers Association, Lansing
Kevin Pernick, President and CEO, Bank Plus, Estherville, Iowa
John K. Sorensen, President and CEO, Iowa Bankers Association, Johnston
Amber R. Van Til, President and CEO, Indiana Bankers Association, Indianapolis
Jenifer Waller, President, Colorado Bankers Association, Denver
Doug Wareham, President and CEO, Kansas Bankers Association, Topeka
Michael A. Wear, President, 39 Acres Corporation, Omaha, Nebraska
Joe Witt, President and CEO, Minnesota Bankers Association, Edina

ABSENT

Rick Clayburgh, President and CEO, North Dakota Bankers Association
Vallabh “Samba” Sambamurthy, Albert O. Nicholas Dean, Wisconsin School of Business, University of Wisconsin-Madison

OTHERS PRESENT

Kathy Berman, *VICE PRESIDENT, MARKETING & COMMUNICATIONS*
Becky Patterson, *VICE PRESIDENT, EDUCATION & PROFESSIONAL DEVELOPMENT*

PARTICIPATING VIA CONFERENCE PHONE

Katie Bolen-Irwin *CONTROLLER*
Ballard W. Cassady, Jr., President and CEO, Kentucky Bankers Association, Louisville

CALL TO ORDER

Chair Randy Hultgren called the Meeting to order at 1:31 p.m.

APPROVAL TO COMBINE GSB and PEF BOARD MEETINGS

It was moved, seconded and approved to combine the Foundation and School meetings and hold them simultaneously.

APPROVAL OF MINUTES

Minutes of the Board of Trustees Meeting from July 18 and August 14, 2023, were approved.

(July 18 and August 14, 2023, minutes are attached to official minutes as Exhibit I & II.)

PRESIDENT'S REPORT

President Davidson highlighted and reviewed the following items in his report:

- It was a mixed year for enrollments at GSB:
    - The Graduate School of Banking started out the year at a 10-year high for enrollment but slowed substantially in the spring, ending with 169 Freshmen.
    - Specialty schools were above budget for all enrollments, with the exception of the Sales & Marketing School. That school has been paused for 2024, and staff is meeting with the instructors to discuss possible changes/alternatives for next year.
- Online seminar registrations are up 47% over last year.
- This year, 6 partner programs were held with partnering state bankers associations. A total of 142 bankers participated in these workshops.
- The partnership with UW-Madison remains strong in the joint offering of the Executive Leadership Certificate. GSB graduates also receive a discount on a number of UW CPED programs.
- The Egyptian Banking Institute partnership is still beneficial. This year, 8 students from Egypt attended the GSB program. EBI continues to inquire about a partnership program held in Egypt; however, nothing is currently planned.
- GSB-LSU continues to partner with us to promote the two IT schools to their alumni.
- Representatives from QTI will be available during the executive session to discuss the search for a new CEO.
- GSB has finished incorporating the final new platform (Quickbooks Online) that is part of the major technology transition that was started three years ago.
- GSB is once again fully staffed.
- An enrollment comparison of all graduate banking schools has been provided for review in the board packet.

(The President's Report is attached to official minutes as Exhibit III. Enrollment reports are attached to official minutes as Exhibit IV. Scholarship report is attached to official minutes as Exhibit V.)

EXECUTIVE COMMITTEE

Chair Randy Hultgren informed the group that the Executive Committee report will be provided in executive session after the full meeting.

FINANCE AND AUDIT COMMITTEE

Treasurer Mike Adelman presented the financial report. The anticipated October 31, 2023, financials pending the financial review with Baker Tilly in January, were shown.

- Total revenue for the graduate banking school was $2.71 million with $1.64 million in expenses, for a contribution of $1.07 million to the bottom line.
- Specialty schools were held in-person this year (the exception being the Digital Banking School which is a virtual program by design). The specialty schools added $407k of revenue to the bottom line.
- Online seminars were strong, contributing $107k in revenue to the bottom line.
- Advanced programs added approximately $3k in net revenue.
- After deducting the $1.29 million of administrative expenses, GSB ended the year with a net operating income of $293k.
- Combined cash for the year ended at $1.1 million.
- Receivables are $122k, which is unusually high. This is due to the $90k of the Employee Retention Credit from the IRS that has not yet been received.
- Fixed assets are at $211k, which includes investments for FiSim 2.0 and GSB's new website and information/database systems. Fixed assets are shown net of their accumulated depreciation and amortization.
- GSB signed a lease with WBA that includes an automatic renewal. Due to GAAP changes, leases are now required to be listed on the financial statements starting with FY23 for GSB. The lease was added at an estimate of a 5-year renewal which is shown in Other Assets and Lease Liability.
- Total combined assets are just over $10 million with a net equity of $9.7 million.

It was moved, seconded and carried to approve the Finance and Audit Committee's FY2023 consolidated financial report as presented.

FY2024 Budget:
Mr. Adelman next reviewed the 2024 budget:

- Total consolidated revenue for 2024 is budgeted at $3.9 million:
    - The Graduate School revenue reflects the price increase of $225/student.
    - The Graduate School is budgeted at 175 incoming freshmen. All specialty schools are budgeted at 40 students, except for the Financial Managers School, which is budgeted at 45, and IT Security School at 35. The Digital Banking School is the only planned virtual program, and it is budgeted at 40 banks.
    - Online seminars are budgeted based on historical attendance. Registration fees and honorariums remain unchanged.
    - Total budgeted consolidated revenue for FY24 is projected to be $3.9 million (this is net of scholarships used).

- Budgeted expenses in 2024 include the following:
    - Personnel costs will be discussed in the executive session. The estimated new CEO salary and benefits are added to the budget with a start date of 6/1/2024.
    - Professional fees related to the CEO search include increased costs for consulting services and other incidentals for the executive search firm, along with the search and

interview process. The professional fees related to the CEO search are calculated based on a split of 80% GSB/20% PEF (similar to other splits for GSB/PEF board meetings and GSB/PEF annual financial review/audit). This line item also includes a hiring fee from Truity Partners for the new controller just hired in November.

- There is a consolidated one-time cost of $218k in 2024 for the search consulting process, additional CEO, lease implementation and other new staff costs.
- PR/Promo costs are increased slightly to $255k, which includes hiring a digital marketing agency and a revived special targeted mailing for the primary Graduate School that hasn't been done since 2019.
- Travel expenses anticipate that all meetings will be held in person, with higher transportation and lodging costs.
- Student lodging costs have been increased for 2024 due to an 8% increase in rates from UW Housing for the primary Graduate School of Banking. Specialty schools have minor increases for facility costs and meals.
- Scholarship expenses have been calculated at $173k, based on age of the scholarships and the likelihood of being used.
- Depreciation/amortization is included at $68k of FiSim enhancements and $14k of new computer equipment. Deposits of $39k for FiSim Lite are not included in the cash flow projections or amortization for FY24 since the project is not anticipated to be completed until FY24 and put into service in either FY24 or FY25. The product will be available, but it is undetermined if any external entities will purchase the product in FY24.
- Given these one-time expenses noted earlier, GSB is budgeted with net income of $44k and consolidated net income of $42k.

It was moved, seconded and carried to approve the FY2024 budget.

(The consolidate financial report with anticipated FY23 financials and FY24 budget are attached to official minutes as Exhibit VI).

It was recommended in the Executive Committee meeting that up to $329k be moved into a CD of up to 7 months to draw a greater return than GSB is receiving on the current sweep account, until it is seen how the 2024 financials play out. Staff will research CD options and rates and setup a new CD of up to $329K by early December.

FISIM UPDATE & DEMO

Larry Dukes from Aurum provided a demo and update on the new FiSim 2.0 model.

STRATEGIC PLAN UPDATE

Mr. Davidson informed the Board that an update to the GSB Strategic Plan was included on the Board website and discussed the highlighted items that were accomplished in FY23.

(The Strategic Plan is attached to official minutes as Exhibit VII.)

ADVISORY COMMITTEES AND BOARDS UPDATE

- Banker Advisory Board - Chair Betsy Johnson reported the following:
  - As prospective students from the central states request information on GSB, BAB members are copied on follow up emails - offering prospective students a referral and resource.
  - BAB members have been reaching out to current students to encourage them to complete their projects.
  - Each sponsoring state provided a list of CEO members and advisory members are sending letters on bank letterhead endorsing the school.
  - A pool of 10 scholarships is available for BAB members to nominate bankers for awards; these will be approved by GSB and awarded on a first-come basis until the pool is exhausted.
  - BAB is looking forward to meeting in January with the Curriculum Advisory Committee
  -
- Curriculum Advisory Committee – Mike Wear presented the following:
  - Evaluation scores remained outstanding in 2023
  - The Committee will be meeting in January to review the curriculum for the primary graduate banking school, specialty schools and online seminars. The group will continue to review the curriculum and expand offerings based on what is needed in the industry, as well as review the latest trends in adult education.

Education Directors Forum - Becky Patterson reported the following:

- The Education Directors met in August to attend classes and discuss happenings at GSB. Nine Ed Directors from 5 states attended the meeting.
- Referral fees from online seminars and fall programs were recently sent to the Ed Directors.

SCHEDULE OF FUTURE BOARD MEETINGS

Ms. Patterson informed the Board that the schedule of subsequent meetings was indicated on the agenda.

EXECUTIVE SESSION

The Board met in Executive Session to discuss the CEO's performance over the past year and compensation for the coming year. In addition, they reviewed the total compensation and benefits for all GSB staff. Two representatives from QTI joined the executive session to discuss the search process for the new CEO.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:10 p.m. following the executive session.

Prepared by: Kirby Davidson, President & CEO

MINUTES OF BOARD OF TRUSTEES MEETING

Prochnow Educational Foundation
Tuesday, November 14, 2023
The French Quarter Inn
Charleston, SC

PRESENT

Randy Hultgren, President and CEO, Illinois Bankers Association, Springfield, *CHAIR*
Karl Adam, President, South Dakota Bankers Association, Pierre, *VICE CHAIR*
Lorrie Trogden, President and CEO, Arkansas Bankers Association, Little Rock, *IMMEDIATE PAST CHAIR*
Michael J. Adelman, President and CEO, Ohio Bankers League, Columbus, *TREASURER*
Kirby Davidson, *PRESIDENT AND CEO*
Karl Adam, President, South Dakota Bankers Association, Pierre
Michael J. Adelman, President and CEO, Ohio Bankers League, Columbus
Richard Baier, President & CEO, Nebraska Bankers Association, Lincoln
Adrian Beverage, President and CEO, Oklahoma Bankers Association, Oklahoma City
Jackson Hataway, President and CEO, Missouri Bankers Association, Jefferson City
Betsy Johnson, President and CEO, Solutions Bank, Forreston, Illinois
Rose M. Oswald Poels, President and CEO, Wisconsin Bankers Association, Madison
Rann Paynter, President and CEO, Michigan Bankers Association, Lansing
Kevin Pernick, President and CEO, Bank Plus, Estherville, Iowa
John K. Sorensen, President and CEO, Iowa Bankers Association, Johnston
Amber R. Van Til, President and CEO, Indiana Bankers Association, Indianapolis
Jenifer Waller, President, Colorado Bankers Association, Denver
Doug Wareham, President and CEO, Kansas Bankers Association, Topeka
Michael A. Wear, President, 39 Acres Corporation, Omaha, Nebraska
Joe Witt, President and CEO, Minnesota Bankers Association, Edina

ABSENT

Rick Clayburgh, President and CEO, North Dakota Bankers Association
Vallabh "Samba" Sambamurthy, Albert O. Nicholas Dean, Wisconsin School of Business, University of Wisconsin-Madison

OTHERS PRESENT

Kathy Berman, *VICE PRESIDENT, MARKETING & COMMUNICATIONS*
Becky Patterson, *VICE PRESIDENT, EDUCATION & PROFESSIONAL DEVELOPMENT*

PARTICIPATING VIA CONFERENCE PHONE

Katie Bolen-Irwin *CONTROLLER*
Ballard W. Cassady, Jr., President and CEO, Kentucky Bankers Association, Louisville

CALL TO ORDER

Chair Randy Hultgren called the Meeting to order at 1:31 p.m.

APPROVAL TO COMBINE GSB and PEF BOARD MEETINGS

It was moved, seconded and approved to combine the Foundation and School meetings and hold them simultaneously.

APPROVAL OF MINUTES

Minutes of the Board of Trustees Meeting from July 18 and August 14, 2023, were approved.

(July 18 and August 14, 2023, minutes are attached to official minutes as Exhibit I & II.)

PEF Investment Committee Report

Chair Joe Witt reported the following:

- Donaldson's strategy of managing the foundation portfolio is working well. Income stays strong without selling stocks. The dividend strategy protects against market shifts.
- The total value of the portfolio is down a little lower than expected.

Joe Zabratanski from DCM presented the FY2023 PEF investment portfolio report to the board. The portfolio remains in compliance with all investment policy guidelines.

(The PEF Portfolio prepared by Donaldson is attached to the official minutes as Exhibit III.)

PRESIDENT'S REPORT

President Davidson highlighted and reviewed the following items in his report:

- It was a mixed year for enrollments at GSB:
  - The Graduate School of Banking started out the year at a 10-year high for enrollment but slowed substantially in the spring, ending with 169 Freshmen.
  - Specialty schools were above budget for all enrollments, with the exception of the Sales & Marketing School. That school has been paused for 2024, and staff is meeting with the instructors to discuss possible changes/alternatives for next year.
- Online seminar registrations are up 47% over last year.
- This year, 6 partner programs were held with partnering state bankers associations. A total of 142 bankers participated in these workshops.
- The partnership with UW-Madison remains strong in the joint offering of the Executive Leadership Certificate. GSB graduates also receive a discount on a number of UW CPED programs.
- The Egyptian Banking Institute partnership is still beneficial. This year, 8 students from Egypt attended the GSB program. EBI continues to inquire about a partnership program held in Egypt; however, nothing is currently planned.
- GSB-LSU continues to partner with us to promote the two IT schools to their alumni.
- Representatives from QTI will be available during the executive session to discuss the search for a new CEO.
- GSB has finished incorporating the final new platform (Quickbooks Online) that is part of the major technology transition that was started three years ago.
- GSB is once again fully staffed.

- An enrollment comparison of all graduate banking schools has been provided for review in the board packet.

(The President's Report is attached to official minutes as Exhibit IV. Enrollment reports are attached to official minutes as Exhibit V. Scholarship report is attached to official minutes as Exhibit VI.)

EXECUTIVE COMMITTEE

Chair Randy Hultgren informed the group that the Executive Committee report will be provided in executive session after the full meeting.

FINANCE AND AUDIT COMMITTEE

Treasurer Mike Adelman presented the financial report. The anticipated October 31, 2023, financials pending the financial review with Baker Tilly in January, were shown.

- Total revenue for the graduate banking school was $2.71 million with $1.64 million in expenses, for a contribution of $1.07 million to the bottom line.
- Specialty schools were held in-person this year (the exception being the Digital Banking School which is a virtual program by design). The specialty schools added $407k of revenue to the bottom line.
- Online seminars were strong, contributing $107k in revenue to the bottom line.
- Advanced programs added approximately $3k in net revenue.
- After deducting the $1.29 million of administrative expenses, GSB ended the year with a net operating income of $293k.
- Combined cash for the year ended at $1.1 million.
- Receivables are $122k, which is unusually high. This is due to the $90k of the Employee Retention Credit from the IRS that has not yet been received.
- Fixed assets are at $211k, which includes investments for FiSim 2.0 and GSB's new website and information/database systems. Fixed assets are shown net of their accumulated depreciation and amortization.
- GSB signed a lease with WBA that includes an automatic renewal. Due to GAAP changes, leases are now required to be listed on the financial statements starting with FY23 for GSB. The lease was added at an estimate of a 5-year renewal which is shown in Other Assets and Lease Liability.
- PEF investments ended the fiscal year at approximately $8.5 million in assets, after a $210k withdrawal for usual scholarship and business expenses. This withdrawal was lower than anticipated due to scholarship forfeitures.
- Total combined assets are just over $10 million with a net equity of $9.7 million.

It was moved, seconded and carried to approve the Finance and Audit Committee's FY2023 consolidated financial report as presented.

FY2024 Budget:
Mr. Adelman next reviewed the 2024 budget:

- Total consolidated revenue for 2024 is budgeted at $3.9 million:
  - The Graduate School revenue reflects the price increase of $225/student.

- The Graduate School is budgeted at 175 incoming freshmen. All specialty schools are budgeted at 40 students, except for the Financial Managers School, which is budgeted at 45, and IT Security School at 35. The Digital Banking School is the only planned virtual program, and it is budgeted at 40 banks.
- Online seminars are budgeted based on historical attendance. Registration fees and honorariums remain unchanged.
- PEF is budgeted using Donaldson's income projections on the current investment strategy. No estimate is made of realized or unrealized gains or losses. Investment expenses are 0.6% of AUM (assets under management) and are factored into the net investment revenue.
- Total budgeted consolidated revenue for FY24 is projected to be $3.9 million (this is net of scholarships used).

- Budgeted expenses in 2024 include the following:
  - Personnel costs will be discussed in the executive session. The estimated new CEO salary and benefits are added to the budget with a start date of 6/1/2024.
  - Professional fees related to the CEO search include increased costs for consulting services and other incidentals for the executive search firm, along with the search and interview process. The professional fees related to the CEO search are calculated based on a split of 80% GSB/20% PEF (similar to other splits for GSB/PEF board meetings and GSB/PEF annual financial review/audit). This line item also includes a hiring fee from Truity Partners for the new controller just hired in November.
  - There is a consolidated one-time cost of $218k in 2024 for the search consulting process, additional CEO, lease implementation and other new staff costs.
  - PR/Promo costs are increased slightly to $255k, which includes hiring a digital marketing agency and a revived special targeted mailing for the primary Graduate School that hasn't been done since 2019.
  - Travel expenses anticipate that all meetings will be held in person, with higher transportation and lodging costs.
  - Student lodging costs have been increased for 2024 due to an 8% increase in rates from UW Housing for the primary Graduate School of Banking. Specialty schools have minor increases for facility costs and meals.
  - Scholarship expenses have been calculated at $173k, based on age of the scholarships and the likelihood of being used.
  - Depreciation/amortization is included at $68k of FiSim enhancements and $14k of new computer equipment. Deposits of $39k for FiSim Lite are not included in the cash flow projections or amortization for FY24 since the project is not anticipated to be completed until FY24 and put into service in either FY24 or FY25. The product will be available, but it is undetermined if any external entities will purchase the product in FY24.
  - No intercompany contributions are included in the budget.
  - Given these one-time expenses noted earlier, GSB is budgeted with net income of $44k. PEF is budgeted with a small net loss of $2k. Consolidated FY2024 net income is budgeted at $42k.

It was moved, seconded and carried to approve the FY2024 budget.

(The consolidate financial report with anticipated FY23 financials and FY24 budget are attached to official minutes as Exhibit VII).

It was recommended in the Executive Committee meeting that up to 329k be moved into a CD of up to 7 months to draw a greater return than GSB is receiving on the current sweep account, until it is seen how the 2024 financials play out. Staff will research CD options and rates and set up a new CD of up to $329K by early December.

FISIM UPDATE & DEMO

Larry Dukes from Aurum provided a demo and update on the new FiSim 2.0 model.

STRATEGIC PLAN UPDATE

Mr. Davidson informed the Board that an update to the GSB Strategic Plan was included on the Board website and discussed the highlighted items that were accomplished in FY23.

(The Strategic Plan is attached to official minutes as Exhibit VIII.)

SCHEDULE OF FUTURE BOARD MEETINGS

Ms. Patterson informed the Board that the schedule of subsequent meetings was indicated on the agenda.

EXECUTIVE SESSION

The Board met in Executive Session to discuss the CEO's performance over the past year and compensation for the coming year. In addition, they reviewed the total compensation and benefits for all GSB staff. Two representatives from QTI joined the executive session to discuss the search process for the new CEO.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:10 p.m. following the executive session.

Prepared by: Kirby Davidson, President & CEO

President's Report

Graduate School of Banking & Prochnow Educational Foundation

April 2024

Current, New or Revised Educational Program Updates

Residential Schools:

Applications for GSB residential schools have been mixed. The primary Graduate Banking School is running behind projections, but our spring IT and HR Schools far exceeded budgeted projections and both ended up having a waiting list. We continue to receive inquiries from prospective students about this summer's Graduate Banking School and are narrowing the gap between last year and this year but do have a ways to go. In talking with my colleagues at other graduate banking schools, they are seeing similar declines in enrollment this year and we're all hoping for a surge as we approach our respective enrollment deadlines this spring and summer. We do appreciate the additional marketing and follow-ups from our sponsoring associations for all of GSB's educational programs as it does pay dividends. As for the fall specialty schools, it's still early with about 4-5 months left to enroll but the Financial Managers School is nearing capacity again this year. It's also worth noting that after conversations with the Banker Advisory Board and Curriculum Advisory Committee, we've rebranded the former Sales & Marketing School to the Strategic Marketing School. We paused this program last fall and didn't launch until February and our current enrollments are already close to where we were at this point last year.

Current enrollment as of 3/15/24:

	3/15/24	Budget	3/15/23
Graduate School Freshmen	80	175	97
HR School (April)	61	40	54
Bank Technology Management School (April)	60	40	52
Digital Banking School (March)	27	40	43
Financial Managers School (Sept)	58	45	49
Sales & Marketing School (Sept)	6	20	8
Bank Technology Security School (Oct)	3	35	6

A state-by-state enrollment report is posted on the board resource site for this meeting.

Online Seminars:

The GSB Online Seminar Series is running at levels we've seen in the past but is below last year's extraordinary year. Total revenue through 3/15 stands at $187K which is a 24% decrease compared to this time in FY23 but more comparable to FY22 and FY21. We do have some ½-day virtual workshops this spring on critical and timely topics that will help add to revenue. We're a little over halfway to our FY24 revenue goal and continue to receive good marketing support from the 30 participating associations around the country.

GSB & PEF FY2023 Financials & FY2022 Financial Audit

A primary reason for the spring Trustee meeting is to discuss and approve the recent financial review with our accounting firm, Baker Tilly. The review was completed in January/February and the final FY2023 financial reports are included on the board meeting's resource site. Our lead auditors will also be meeting with the GSB/PEF Finance & Audit Committee prior to this spring's online board meeting to review the final FY2023 financial review results in detail for both GSB and PEF. It was another clean financial review and an overview of the results will be presented to the full board by Baker Tilly representatives at our meeting.

As for FY2024, current combined GSB/PEF assets as of 3/15 are a little more than $11.1 million which is a new high at this point in the year. The breakdown of current GSB and PEF cash balances and assets as of 3/15 are posted on the board resource site.

GSB/PEF Strategic Plan Activities

GSB staff and key constituent groups continue to work through the strategic priorities within the GSB/PEF Strategic Plan. A few key strategic activities worth noting since our last board meeting in November:

New & Enhanced GSB Learning Management, Delivery & Marketing Platforms

- The technology transition at GSB continues with the final platform onboarded last fall. During the past three years GSB has onboarded a new Learning Management System (Canvas), Customer Relationship Database (Zoho), newly designed and integrated web site (Word Press and Woo Commerce), and most recently our online accounting system (Quickbooks Online). As I've mentioned in the past, this has been a major undertaking for GSB's smaller staff with a major commitment of time and resources that is already paying dividends in improved efficiencies, project management, and outreach efforts to current and prospective customers. We continue to modify and enhance the platforms that we've onboarded but it's sure nice to be in a position of "perfecting" what's in place rather than the multiple steps related to the platform conversions over the past three years. GSB is well positioned for the years ahead with these online tools and resources for staff, faculty, students and constituents.

FiSim

- The final phases of FiSim 2.0 were implemented at the August 2023 session and some additional improvements, enhancements and fixes that were approved by the board in November are being finalized for the upcoming 2024. A few examples include:
    - Creating a second dashboard page that includes community comparison and performance reports
    - Running a complete audit of reports for accuracy
    - Creating a new regulatory report
    - M&A modifications to include a community-wide scope of tracking possible merger targets
- FiSim faculty are coming to Madison in late May to familiarize themselves with the latest version of FiSim 2.0 ahead of the August session and to build user workshops and support accordingly.
- FiSim Lite has been a part of the original FiSim and FiSim 2.0 scope of work as the Aurum developers have built the newest version with the flexibility of providing an intermediate platform for use at state-level banking schools, college and universities, and possible in-bank use, too. As we discussed, the funding for the initial FiSim Lite version of $39K was approved in November and the initial testing with the core group of testers that have worked on FiSim and now FiSim Lite started in February as scheduled. With this being the first version of FiSim Lite, there have been some discoveries during testing mostly related to the robust, core databases used within FiSim syncing up with the scaled back version of FiSim Lite. These are fairly easy fixes, but the testing group is also comparing FiSim Lite results with FiSim to make sure results and outcomes of decisions made in the intermediate version are performing as they would expect. After the core testing group wraps up their game testing, we have a few UW faculty, Banker Advisory Board members and other alumni lined up to test FiSim Lite from a "new user" perspective. We expect this testing to begin sometime in April.

- We're finishing up a Statement of Work with Abrigo (company that provides the underlying Foresight ALM for FiSim) that outlines their teaching involvement at GSB along with their ongoing support of FiSim and FiSim Lite. As was mentioned at last November's board meeting, Abrigo launched a new ALM 3-4 years ago and may sunset Foresight at some point but there's nothing definitive yet. If they do, we still have the Foresight code that's used as the underlying ALM so FiSim would still operate as it does today. Abrigo has visited with us about converting to the new ALM but in preliminary conversations with our current FiSim software administrators at Aurum, we believe FiSim would be better served in the long run to have its own internal engine and no longer be dependent on a 3rd party software. Again, this was all discussed during last November's board meeting but want to provide an update on this partnership with Abrigo. They have been a very good and active partner with GSB participating in both online and residential educational programs along with their ongoing support of FiSim since the purchase and transition four years ago.

<u>GSB Marketing & Outreach</u>

- In 2024 we reallocated a majority percentage of our advertising budget from print to digital, with an emphasis on targeted LinkedIn and Google advertising. Initial results have been positive - for example, we saw a 74% increase in unique LinkedIn page visitors and 303 new LinkedIn followers in the past 90 days.
- We continue to have good success with the new Zoho CRM for lead follow-up; typically, inquiries received through our website are followed up with same day -- and prospective students from the Central States who inquire about GSB are sent an email that includes school details and an introduction to the Banker Advisory Board representative in their state, who is also copied on the message. Interested bankers can also schedule time with Kathy to have questions answered by booking directly into her calendar (via Calendly) using a link provided in the introductory email.

<u>In-State Alumni Program</u>

- After conversations with the Illinois Bankers Association over the past year to brainstorm ideas, we have officially held our first-ever joint GSB/IBA event. At the IBA's suggestion we were part of their Future Leaders Alliance lunch at the IBA ONE Conference in early March. GSB was able to invite alumni to the lunch to network with the future leaders and, if they stayed for the conference, were eligible for a 10% discount. There were about 60 combined attendees at the lunch and both GSB and IBA were extremely pleased with the outcome. There was time for GSB to provide an update on GSB educational programs, Randy shared his thoughts on GSB and his leadership role, and GSB alumnus, Betsy Johnson, shared how her GSB education has really helped to shape her career and leadership at the bank, the association and the industry. Given the audience and the outcome, we plan to make this an annual event and look forward to considering similar opportunities with other GSB sponsoring associations.

<u>GSB Sponsorships of State Association Events</u>

- GSB continues its active involvement in several state association events and conferences that feed into GSB educational offerings. These include state conventions along with conferences targeted to key GSB audiences like HR, IT, cybersecurity, marketing, sales, CFO, women in banking and young/emerging leader programs. Many participating associations develop "sponsor packages" for GSB which allows us to participate at multiple SBA conferences/events in a specific state at a discount compared to purchasing individually.

GRADUATE SCHOOL OF BANKING

First Year Enrollment History

Date	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	% Var 24 to 23	% Var 24 to 22	% Var 24 to 21
12/31	20	31	31	28	28	36	26	49	197	80	50	29	-42.0%	-63.8%	-85.3%
1/15	31	41	46	34	38	43	36	59	204	89	62	35	-43.5%	-60.7%	-82.8%
1/31	48	54	65	48	59	65	48	74	205	102	72	41	-43.1%	-59.8%	-80.0%
2/15	63	70	78	65	75	84	64	88	211	111	80	55	-31.3%	-50.5%	-73.9%
2/28	73	89	88	76	93	95	72	96	221	117	85	66	-22.4%	-43.6%	-70.1%
3/15	90	110	110	86	108	110	84	105	231	129	97	80	-17.5%	-38.0%	-65.4%
3/31	104	130	131	115	127	124	105	113	236	146	108				
4/15*	120	141	143	132	133	139	122	115	238	158	120				
4/30	139	160	156	149	150	151	132	119	208	179	129				
5/15	152	167	175	164	162	166	147	129	214	192	144				
5/31	191	177	189	180	175	188	167	132	230	212	162				
6/15	211	193	220	205	205	198	187	137	236	214	180				
6/30	240	214	224	207	207	198	188	145	236	218	180				
7/15	244	217	224	207	207	198	188	147	236	218	180				
7/31	219	219	224	207	207	198	188	149	236	218	180				
FINAL	**216**	**206**	**208**	**199**	**200**	**186**	**178**		**198**	**196**	**169**				
Budget	*180*	*185*	*185*	*200*	*200*	*200*	*195*	*180*	*200*	*200*	*190*	*175*			

***2020 Session CXLD on 4/8/2020 due to COVID19**
12/31 - 7/31 numbers: Includes all applications received
"FINAL" numbers: Net Enrollment (after cancellations)
***2021 Session Announced Virtual Delivery with option to defer**
*35 apps rolled forward from 2021 to 2022 after virtual delivery

Graduate School of Banking

Net Enrollment Report - 2024 Session

Generated by Alexis Thering on 03/15/24 11:59 PM

State	Year 1	Year 2	Year 3	Total
AR			1	1
AZ			3	3
CA		2	1	3
CO		8	4	12
GA	1			1
IA	4	16	12	32
IL	10	15	21	46
IN	5	13	10	28
KS	2	4	9	15
KY		6	9	15
MI	3	14	6	23
MN	11	21	18	50
MO	5	9	15	29
MT		1		1
ND	1	2	4	7
NE	1	2	2	5
OH	6	11	10	27
OK	1		3	4
PA		2	1	3
SD	1	1	2	4
TN	1			1
TX	2	3	4	9
UT			1	1
VA		1		1
WI	14	31	32	77
Egypt		1	6	7
Kingdom of Saudi Arabia		1		1
Saint Kitts		1		1
India	1			1
Suriname	3			3
Total	**72**	**165**	**174**	**411**

HUMAN RESOURCE MANAGEMENT SCHOOL
Enrollment History

Date	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	% Var 24 to 23	% Var 24 to 22	% Var 24 to 21
10/15	5	2	1	2	2	3	4	2	22	14	11	5	-54.5%	-64.3%	-77.3%
10/31	5	2	1	3	2	5	8	2	22	17	16	9	-43.8%	-47.1%	-59.1%
11/15	8	4	6	7	4	7	11	5	22	18	18	12	-33.3%	-33.3%	-45.5%
11/30	10	5	7	10	6	12	13	9	23	20	21	14	-33.3%	-30.0%	-39.1%
12/15	13	7	9	12	12	13	15	9	24	23	25	19	-24.0%	-17.4%	-20.8%
12/31	17	9	11	17	16	14	17	12	24	25	30	24	-20.0%	-4.0%	0.0%
1/15	25	15	17	25	22	19	20	20	28	28	41	30	-26.8%	7.1%	7.1%
1/31	25	23	21	34	31	29	27	29	35	39	46	45	-2.2%	15.4%	28.6%
2/15	35	30	27	47	40	36	39	37	42	49	51	51	0.0%	4.1%	21.4%
2/28	35	35	31	56	43	42	48	46	44	50	57	56	-1.8%	12.0%	27.3%
3/15	42	40	40	63	44	49	54	46	48	57	57	66	15.8%	15.8%	37.5%
3/31	48	40	40	63	44	49	57	46	53	57	57				
4/15	49							31	51	57					
4/30									51	57					
5/15															
5/31															
6/15															
6/30															
7/15								33							
7/31								35							
8/15								28							
8/31								32							
9/15								41							
9/30								43							
10/15								44							
HR - FINAL	**44**	**39**	**38**	**62**	**43**	**46**	**57**	**38**	**49**	**50**	**54**				
HR - Budget	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*			

Program moved from August to April in 2012

Due to COVID19, program moved to being offered virtually in fall 2020 or in person 2021. Some attendees moved from 2020 to 2021

Due to COVID19, program being offered virtually in spring 2021. Some attendees moved from 2021 to 2022 to attend in-person from 2020 registrations

* 9 apps rolled forward from 2021 to 2022

Human Resource Management School

2024 Net Enrollment Report

Generated by Alexis Thering on 03/15/24 11:59 PM

State	Number of Students
FL	3
IL	7
NE	2
OH	4
OK	3
SD	4
MN	4
CO	1
OR	2
WI	6
KY	4
LA	1
ND	5
NY	1
VA	1
Egypt	1
CA	1
TX	3
AK	2
IN	1
IA	3
WY	1
Total Enrolled:	**60**

DIGITAL BANKING SCHOOL
Enrollment History

Date	2020	2021 MARCH	2021 MAY	2021 TOTAL	2022	2023	2024	% Var 2024 to 2023	% Var 2024 to 2022	% Var 2024 to 2021
10/15	50	2	0	2	4	9	6	-33.3%	50.0%	200.0%
10/31	50	2	0	2	6	15	6	-60.0%	0.0%	200.0%
11/15		2	0	2	14	18	8	-55.6%	-42.9%	300.0%
11/30		2	0	2	19	31	9	-71.0%	-52.6%	350.0%
12/15		3	1	4	21	31	11	-64.5%	-47.6%	175.0%
12/31		4	1	5	24	32	11	-65.6%	-54.2%	120.0%
1/15		11	1	12	37	36	21	-41.7%	-43.2%	75.0%
1/31		15	2	17	41	37	25	-32.4%	-39.0%	47.1%
2/15		25	8	33	42	43	26	-39.5%	-38.1%	-21.2%
2/28		26	13	39	42	47	27	-42.6%	-35.7%	-30.8%
3/15		26	13	39	42	47	27	-42.6%	-35.7%	-30.8%
3/31		26	16	42	42	47				
4/15		26	18	44	42					
4/30		26	20	46	42					
5/15										
5/31										
6/15										
6/30										
DBS-SEC1 FINAL	**20**	**26**	**20**							
DBS-SEC2 FINAL	**30**									
DBS - FINAL	**50**	**26**	**20**	**46**	**41**	**43**				
DBS - Budget	*25*	*30*	*30*	*60*	*30*	*40*	*40*			

Digital Banking School

2024 Net Enrollment Report

Generated by Alexis Thering on 03/15/24 11:59 PM

State	Number of Students
CO	1
IL	1
IN	2
MN	2
MO	1
VA	1
NY	1
WV	1
OH	3
WI	4
IA	5
TN	1
MD	1
ND	1
SD	1
Total	**26**

BANK TECHNOLOGY MANAGEMENT SCHOOL

Enrollment History

Date	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	% Var 2024 to 2023	% Var 2024 to 2022	% Var 2024 to 2021
10/15	15	12	5	1	2	1	4	5	24	6	4	7	75.0%	16.7%	-70.8%
10/31	20	20	7	1	3	1	4	8	22	8	7	7	0.0%	-12.5%	-68.2%
11/15	26	24	9	2	6	3	6	14	21	11	10	12	20.0%	9.1%	-42.9%
11/30	33	25	12	8	8	5	10	17	20	11	15	18	20.0%	63.6%	-10.0%
12/15	36	27	14	12	10	7	14	18	21	13	19	30	57.9%	130.8%	42.9%
12/31	39	33	16	14	15	10	17	22	21	16	22	31	40.9%	93.8%	47.6%
1/15	51	37	21	17	18	17	25	32	25	22	27	41	51.9%	86.4%	64.0%
1/31	59	42	23	28	31	26	32	42	28	27	38	50	31.6%	85.2%	78.6%
2/15	63	47	27	31	41	36	36	48	28	32	42	67	59.5%	109.4%	139.3%
2/28	63	48	33	32	44	44	39	51	31	38	47	71	51.1%	86.8%	129.0%
3/15	63	50	40	39	45	50	42	51	33	39	55	63	14.5%	61.5%	90.9%
3/31	63	50	43	44	45	51	42	51	42	39	55				
4/15								51	56	39	55				
4/30									56	39	55				
5/15															
5/31															
6/15															
6/30															
7/15								34							
7/31								38							
8/15	8							41							
8/31	13							45							
9/15	8							47							
9/30	13							51							
10/15	8							59							
10/31	13							59							
IT - FINAL	**57**	**46**	**39**	**44**	**42**	**48**	**39**	**51**	**54**	**37**	**52**				
IT - Budget	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*			

Due to COVID19, program moved to being offered virtually in fall 2020 (held FY21) or in person 2021. Some attendees moved from 2020 to 2021

Due to COVID19, program being offered virtually in spring 2021. Some attendees moved from 2021 to 2022 to attend in-person from 2020 registrations

* 5 apps rolled forward from 2021 to 2022

Bank Technology Management School

2024 Net Enrollment Report

Generated by Alexis Thering on 03/15/24 11:59 PM

State	Number of Students
NE	3
OH	1
PA	3
IN	3
IL	2
KS	3
MN	4
MS	1
NY	2
TX	4
WI	6
KY	1
LA	2
MO	2
ND	4
OR	2
SC	1
TN	1
VA	2
GA	1
ID	1
MI	1
CA	2
IA	2
Egypt	1
CO	1
OK	1
Micronesia	1
SD	1
MT	1
Total	**60**

FINANCIAL MANAGERS SCHOOL - (FALL) GSB/FMS

Enrollment History

Date	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	% Var 2024 to 2023	% Var 2024 to 2022	% Var 2024 to 2021
12/31	3	3	1	1	3	7	4	2	11	23	27	31	14.8%	34.8%	181.8%
1/15	3	3	2	1	4	9	5	3	12	27	33	35	6.1%	29.6%	191.7%
1/31	3	4	3	1	6	11	6	6	16	30	38	40	5.3%	33.3%	150.0%
2/15	6	5	7	1	11	13	7	9	17	35	46	46	0.0%	31.4%	170.6%
2/28	7	6	8	6	13	16	8	10	18	39	49	51	4.1%	30.8%	183.3%
3/15	9	9	12	6	14	21	9	14	21	46	49	58	18.4%	26.1%	176.2%
3/31	10	10	18	6	18	27	11	15	23	52	55				
4/15	11	10	23	7	22	32	16	15	24	62	57				
4/30	11	14	25	8	22	35	19	15	26	65	63				
5/15	16	19	29	10	25	36	21	19	27	65	65				
5/31	20	25	32	13	26	40	23	20	36	65	65				
6/15	24	26	38	19	26	44	25	24	41	65	65				
6/30	30	29	39	19	32	45	36	28	45	65	65				
7/15	37	35	41	27	36	51	40	31	50	65	65				
7/31	48	44	43	32	41	56	48	35	60	65	65				
8/15			49	35	54	57	60	36	62	65	65				
8/31			52	40	56	57	60	42	70	65	65				
9/15			52	40	56	57	60	50	70	65	65				
9/30			52	40	56	57	60	42	70	65	65				
FMS - FINAL	**52**	**61**	**48**	**39**	**54**	**56**	**53**	**46**	**62**	**65**	**60**				
FMS - Budget	*35*	*40*	*40*	*30*	*40*	*40*	*45*	*45*	*45*	*45*	*45*	*45*			

Due to COVID19, program offered virtually in 2020 or in person 2021. Some attendees moved from 2020 to 2021
Due to COVID19, program offered virtually in 2021 or in person 2022. Some attendees moved from 2021 to 2022
* 18 apps rolled forward from 2021 to 2022

Financial Managers School

2024 Net Enrolllment Report

Generated by Alexis Thering on 03/15/24 11:59 PM

Mailing State	Number of Students
AL	1
CO	1
FL	1
GA	3
IA	7
IL	2
KY	3
MA	1
MN	6
MO	4
NJ	1
NM	2
SD	2
VA	1
LA	1
WI	7
OR	1
TX	2
WV	1
ND	1
NE	1
Grand Total	**49**

BANK TECHNOLOGY SECURITY SCHOOL

Enrollment History

Date	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	% Var 2024 to 2023	% Var 2024 to 2022	% Var 2024 to 2021
10/15	1	0	0	0	0	1	3	8	0	0			
10/31	2	1	0	1	0	1	3	8	0	1	100.0%	-87.5%	-66.7%
11/15	2	2	0	2	0	1	3	8	0	2	200.0%	-75.0%	-33.3%
11/30	3	2	0	3	0	1	3	8	1	2	100.0%	-75.0%	-33.3%
12/15	3	2	0	3	0	1	3	9	2	3	50.0%	-66.7%	0.0%
12/31	3	2	1	4	0	3	3	9	2	3	50.0%	-66.7%	0.0%
1/15	4	2	1	6	1	3	4	9	3	3	0.0%	-66.7%	-25.0%
1/31	6	3	2	8	2	3	4	10	3	3	0.0%	-70.0%	-25.0%
2/15	6	8	3	8	3	3	4	11	6	3	-50.0%	-72.7%	-25.0%
2/28	11	10	4	8	6	4	4	11	6	3	-50.0%	-72.7%	-25.0%
3/15	14	10	7	8	6	4	4	12	7				
3/31	16	12	9	9	8	4	5	15	9				
4/15	19	12	9	11	11	4	5	15	13				
4/30	22	15	13	13	11	4	5	16	14				
5/15	25	19	16	14	12	5	6	18	16				
5/31	27	22	18	18	12	6	8	19	17				
6/15	30	25	21	19	12	6	11	22	17				
6/30	33	26	26	23	16	11	13	22	17				
7/15	36	28	30	25	17	14	14	24	20				
7/31	37	30	33	26	18	18	20	28	24				
8/15	41	32	33	28	19	21	21	32	29				
8/31	44	35	37	37	24	26	21	37	34				
9/15	50	36	40	39	27	35	25	42	38				
9/30	50	38	42	43	27	36	25	42	38				
IS - FINAL	**46**	**38**	**35**	**43**	**27**	**35**	**23**	**37**	**37**				
IS - Budget	*40*	*40*	*40*	*40*	*40*	*35*	*35*	*35*	*35*	*35*			

Due to COVID19, program offered virtually in 2020 or in person 2021. Some attendees moved from 2020 to 2021
Due to COVID19, program offered virtually in 2021 or in person 2022. Some attendees moved from 2021 to 2022
* 8 apps rolled forward from 2021 to 2022

Bank Technology Security School

2024 Net Enrollment Report

Generated by Alexis Thering on 03/15/24 11:59 PM

Mailing State	Number of Students
OH	1
SD	1
ND	1
Total	**3**

SALES AND MARKETING SCHOOL

Enrollment History

Date	2018	2019	2020	2021	2022	2023	2024	% Var 24 to 23	% Var 24 to 22	% Var 24 to 21
10/15	0	0	0	4	6	0	0			
10/31	0	0	0	4	7	0	0			
11/15	1	0	0	4	7	0	0			
11/30	4	1	0	4	7	0	0			
12/15	4	1	1	4	8	1	0			
12/31	5	2	2	4	9	1	0			
1/15	5	3	3	4	10	4	0			
1/31	10	4	5	4	10	8	0			
2/15	12	5	7	5	11	8	1	-87.5%	-90.9%	-80.0%
2/28	12	7	9	6	12	8	3	-62.5%	-75.0%	-50.0%
3/15	14	8	9	6	12	8	6	-25.0%	-50.0%	0.0%
3/31	17	8	9	6	14	8				
4/15	19	8	9	6	17	8				
4/30	22	11	9	8	18	8				
5/15	23	13	9	9	18	11				
5/31	25	14	9	12	20	11				
6/15	27	16	10	14	20	13				
6/30	31	19	14	20	20	14				
7/15	33	19	14	23	23	15				
7/31	37	21	15	24	25	17				
8/15	40	25	19	24	29	18				
8/31	45	27	20	25	33	25				
9/15	58	27	26	29	33	25				
9/30	58	27	26	29	33	25				
SM - FINAL	**50**	**26**	**24**	**25**	**33**	**23**	**1**	-95.7%	-97.0%	-96.0%
SM- Budget	*40*	*40*	*35*	*25*	*25*	*30*	*30*			

Due to COVID19, program offered virtually in 2020 or in person 2021. Some attendees moved from 2020 to 2021
Due to COVID19, program offered virtually in 2021 or in person 2022. Some attendees moved from 2021 to 2022
* 6 apps rolled forward from 2021 to 2022

Generated by Alexis Thering on 03/15/24 11:59 PM

Mailing State	Count of Number of Students
WI	1
IN	1
AK	1
IL	2
MO	1
Grand Total	**6**

Report to the Board of Trustees

Prepared for Graduate School of Banking, Inc. and Herbert V. Prochnow Educational Foundation, Inc.

April 1, 2024

Overview

- Engagement team
- Review results and our report
- Cybersecurity suggestions
- Summary financial information
- Accounting developments
- Industry trends

Engagement team

Ryan Lay, CPA
Engagement Partner

P: (414) 777 5334
E: ryan.lay@bakertilly.com

Alex Dati, CPA
Senior Manager

P: (414) 777 5861
E: alex.dati@bakertilly.com

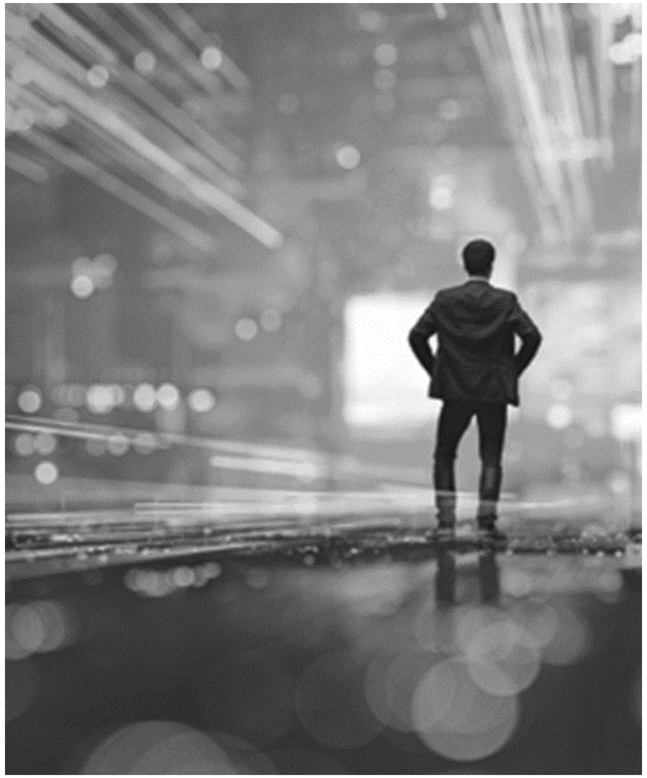
Amy Jeninga, CPA
Pre-Issuance Reviewer

P: (414) 777 5350
E: amy.jeninga@bakertilly.com

Troy Marine, CPA
Firm Tax Director

P: (414) 777 5376
E: troy.marine@bakertilly.com

Review results and our report



- Cooperation was received from members of management
- We are not aware of any material modifications that should be made to the consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the U.S.
  - Adopted ASU No. 2016-02, *Leases (Topic 842)*
- CFO transition to new Controller

- No management letter was issued
- There were no misstatements identified

Cybersecurity suggestions

Suggestions

- Consider restricting external devices with workstations and servers
- Consider having all web traffic run through central proxy servers
- Consider implementing wireless detection and scanning for unauthorized wireless access points
- Consider implementing a wireless intrusion detection system (WIDS) and Security Information and Event Management (SIEM) tools

Summary of financial information

Consolidated Statements of Financial Position

	2023 (Reviewed)	2022 (Audited)
Assets		
Cash and cash equivalents	$ 1,112,323	$ 834,779
Other assets	170,025	189,132
Total current assets	1,282,348	1,023,911
Investments	8,495,653	8,638,233
Restricted cash	10,027	10,024
Operating right-of-use asset	68,152	-
Property, equipment, and software, net	228,612	359,606
Total Assets	$ 10,084,792	$ 10,031,774
Liabilities		
Accounts payable and accrued liabilites	$ 251,504	$ 261,355
Deferred revenue	150,148	273,815
Current portion of operating lease liability	14,027	-
Total current liabilities	415,679	535,170
Long-term portion of operating lease liability	54,415	-
Total Liabilities	470,094	535,170
Net Assets		
Without donor restrictions	9,599,698	9,478,604
With donor restrictions	15,000	18,000
Total net assets	9,614,698	9,496,604
Total Liabilities and Net Assets	$ 10,084,792	$ 10,031,774

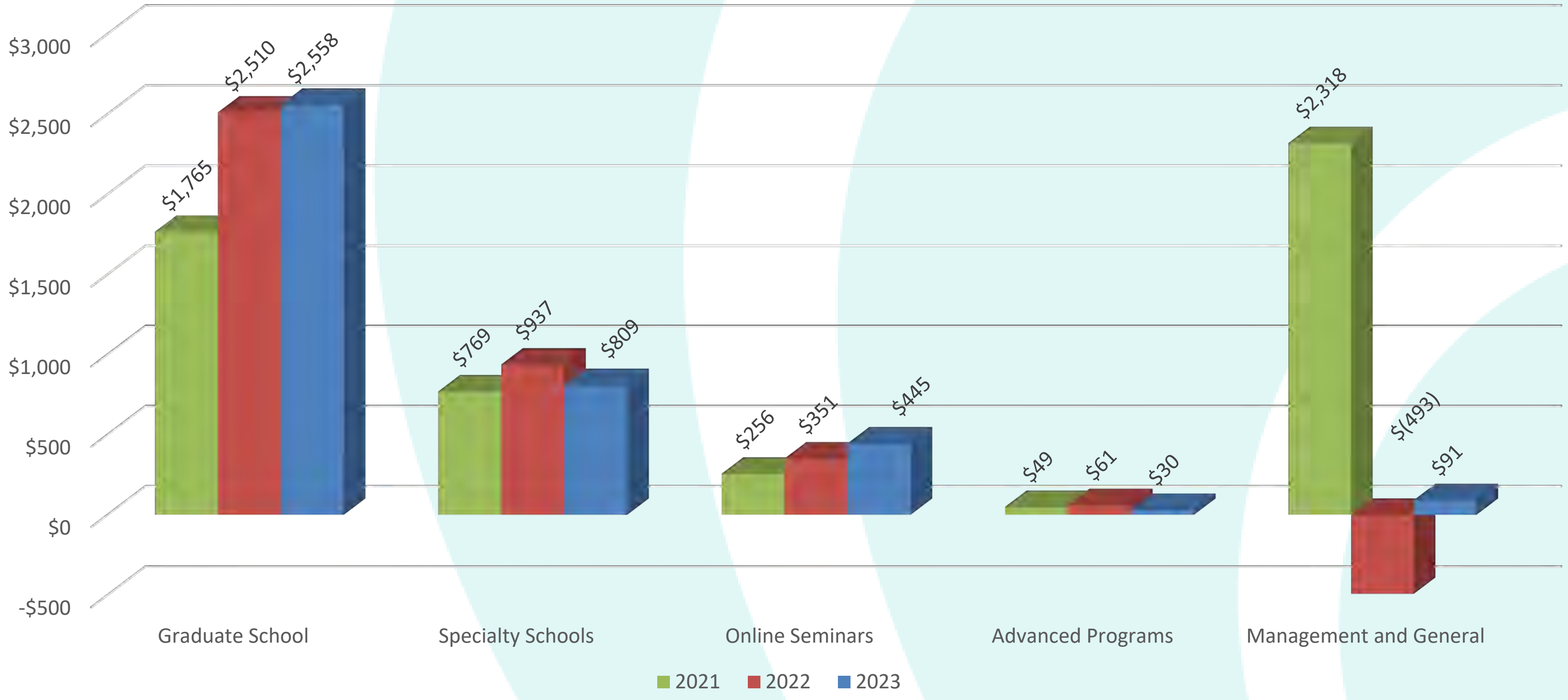
Summary of financial information

Consolidated Statements of Activities

	Without Donor Restrictions	With Donor Restrictions	2023 Total (Reviewed)	Without Donor Restrictions	With Donor Restrictions	2022 Total (Audited)
Revenues and Public Support						
Program revenue (net of scholarships)	$ 3,748,184	$ -	$ 3,748,184	$ 3,768,814	$ -	$ 3,768,814
Other	100,452	-	100,452	93,075	-	93,075
Net investment return	84,488	-	84,488	(496,032)	-	(496,032)
Releases from restrictions	3,000	(3,000)	-	3,000	(3,000)	-
Total revenues and public support	3,936,124	(3,000)	3,933,124	3,368,857	(3,000)	3,365,857
Expenses						
Program	2,443,572	-	2,443,572	2,595,915	-	2,595,915
Management and general	1,371,458	-	1,371,458	1,188,907	-	1,188,907
Total expenses	3,815,030	-	3,815,030	3,784,822	-	3,784,822
Changes in net assets	121,094	(3,000)	118,094	(415,965)	(3,000)	(418,965)
Net assets, Beginning	9,478,604	18,000	9,496,604	9,894,569	21,000	9,915,569
Net assets, Ending	$ 9,599,698	$ 15,000	$ 9,614,698	$ 9,478,604	$ 18,000	$ 9,496,604

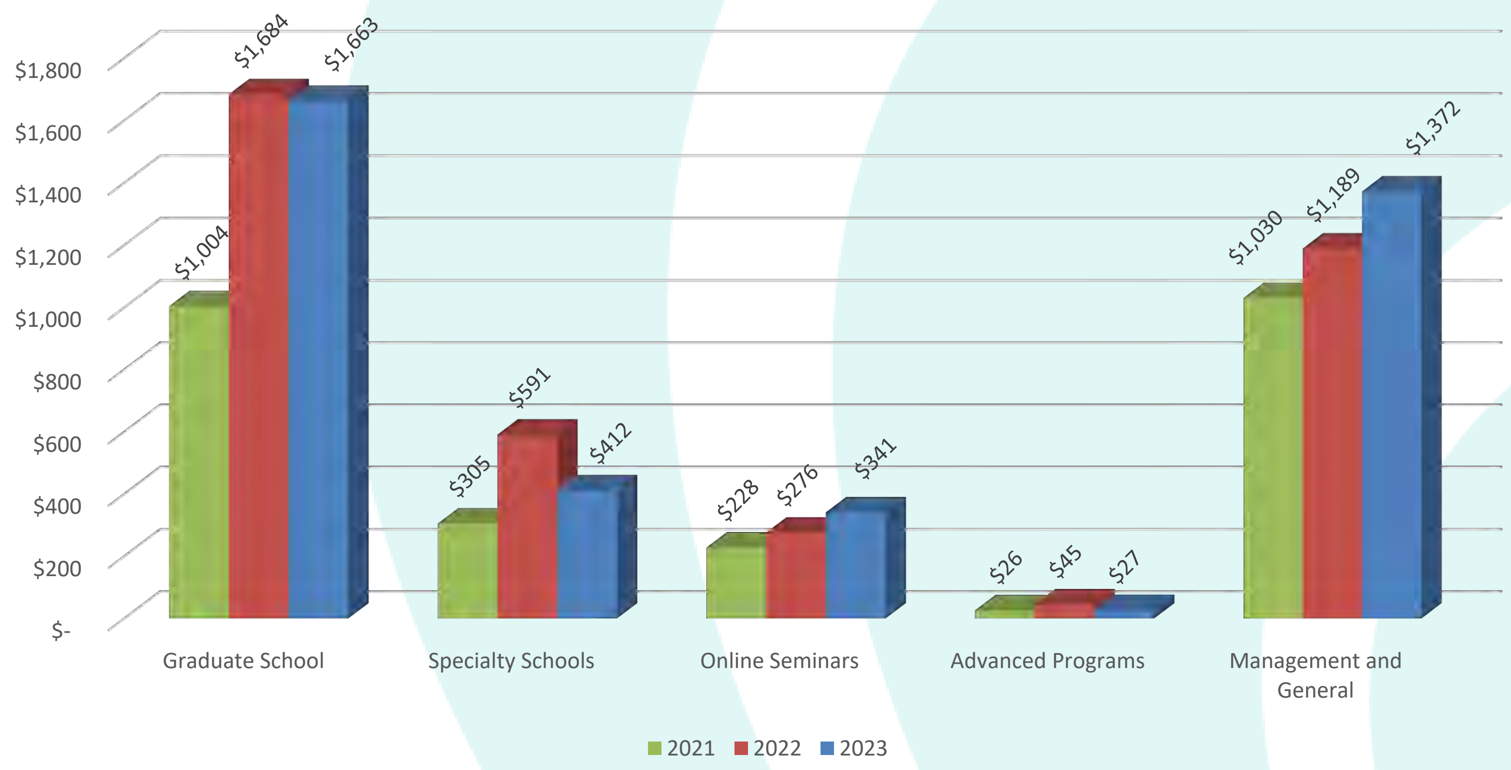
Summary of financial information

Consolidated Revenues by Function (000's)



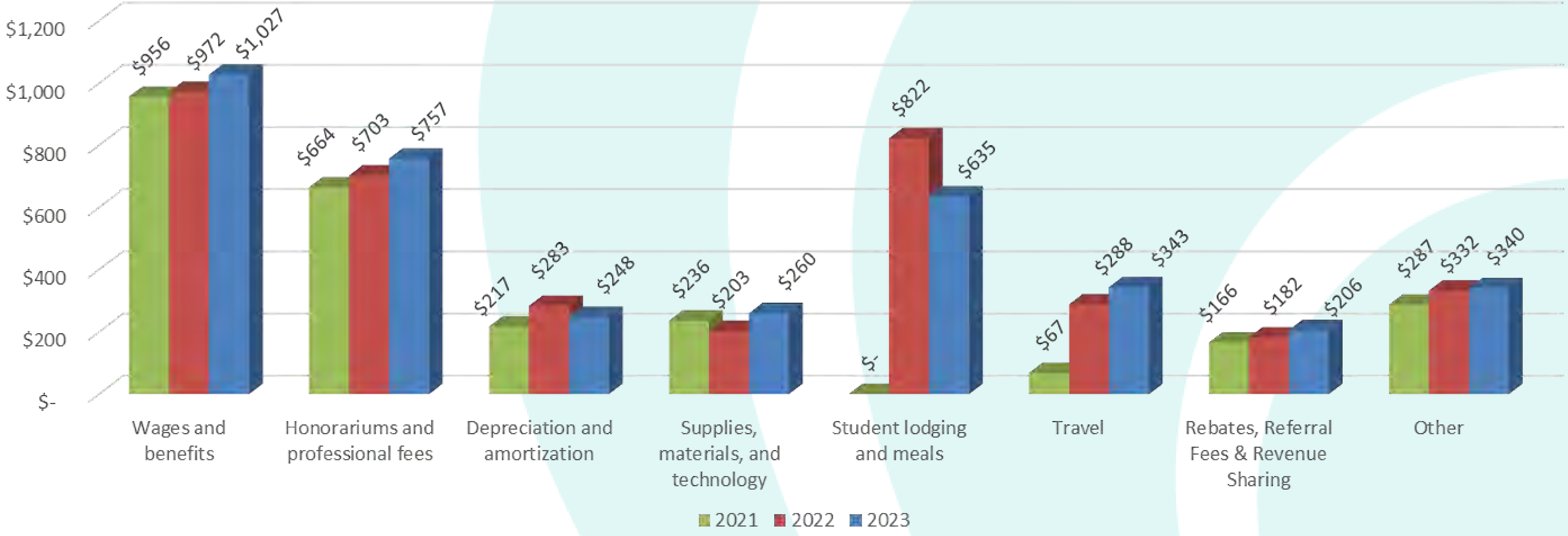
Summary of financial information

Consolidated Expenses by Function (000's)

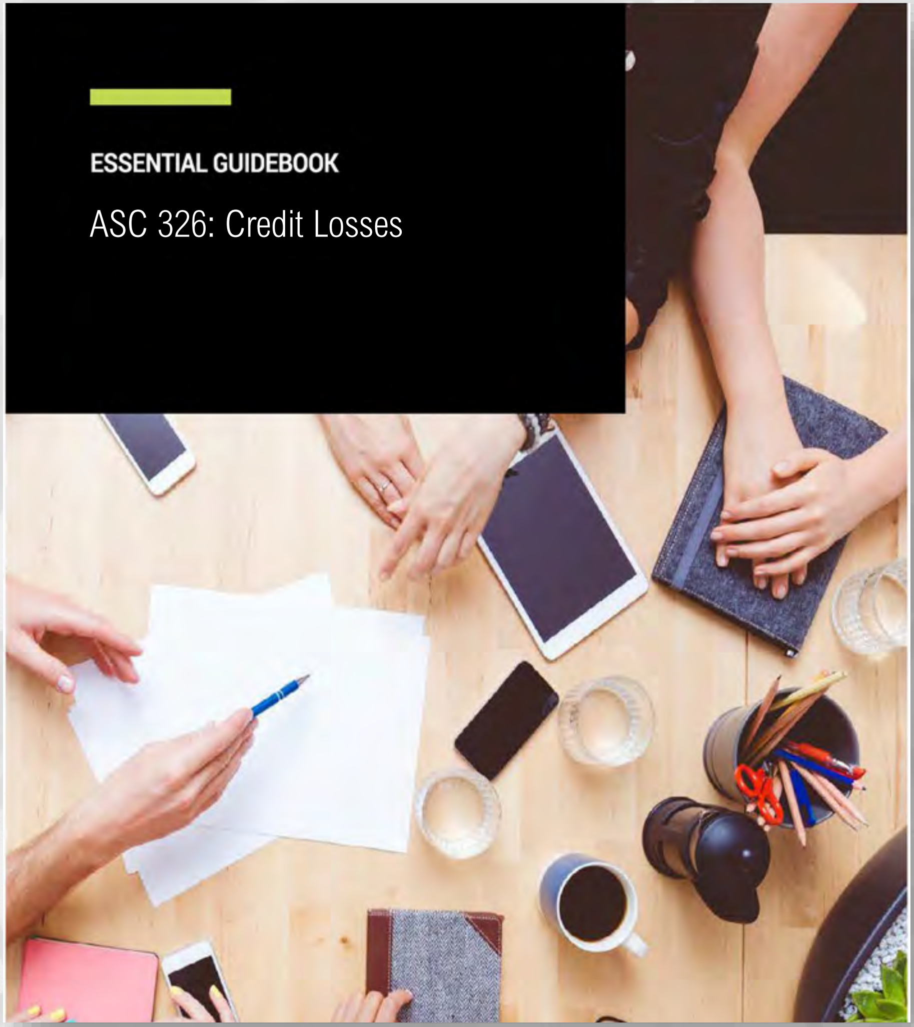


Summary of financial information

Consolidated Expenses by Nature (000's)



Accounting Developments



- Measurement of credit losses

ASU No. 2016-13, *Financial Instruments-Credit Losses Topic (326): Measurement of Credit Losses on Financial Instruments*

- Significant shift in the way credit losses are recorded requires entities to estimate and record credit losses expected over the contractual life of an asset or liability on day one
- Goal is to improve financial statement users' access to more timely information about credit losses
- Standard does not prescribe one method for estimating expected losses but does provide examples so entities can decide what makes sense for their organization
- Dollar impact after adoption will be recorded through a cumulative effect adjustment to net assets
- Main financial instruments affected: loans, receivables, and financial guarantees

Nonpublic companies will be required to apply the standard for annual periods beginning after Dec. 15, 2022 (fiscal 2024).

ASU No. 2016-13, *Financial Instruments-Credit Losses Topic (326): Measurement of Credit Losses on Financial Instruments*

CECL adoption considerations

CECL implementation

- CECL training
- Gap analysis
- Data stratification
- Model selection and validation
- Parallel runs
- Governance, compliance, and risk restructuring
- Internal controls testing

CECL outsourced modeling

- Staffing augmentation
- Fully outsourced modeling
- Model back testing

CECL model validation

- Review of processes, documentation, and policies
- Partial or full replication of CECL model
- Back-testing of estimates
- Stress-testing and sensitivity analyses

Data analytics and model risk management

Leveraging data collected for models to inform broader business processes and decision making

- Loan portfolio analytics
- Stress testing and scenario analysis
- Capital adequacy analysis
- Data quality

Learn more https://www.bakertilly.com/specialties/cecl-solutions

Industry trends

Insights: growing impact of inflation on not-for-profit organizations

Inflation impact areas to consider

- Donations and pledges
- Investments and market volatility
- Expenses, including salaries and wages

Stay up-to-date with Baker Tilly Insights and the impact of inflation

Ransomware attacks

Cybersecurity and data privacy risks for not-for-profit organizations continue to increase exponentially. Not-for-profit organizations are particularly vulnerable to cyberattacks due to stored donor information and limited funding to maintain and upgrade IT systems.

Understanding an implementing leading cybersecurity practices in board governance will help you manage and protect your organization.

Visit our dedicated cybersecurity resource page or download the ransomware prevention guide.

2/3rd

Of cyberattacks target small to medium sized businesses or NFPs

56%

Of NFPs do not require multifactor authentication

59%

Of NFPs do not provide any cybersecurity training to their staff on a regular basis

70%

Of NFPs do not perform vulnerability scanning

Top 10 areas of focus for board members

A board director serves to shepherd the organization to long-term sustainability. The **board director role carries risk** if individuals are not aware of their obligations related to the issues and concerns that the Internal Revenue Service (IRS) has attempted to address in the information reporting form, the Form 990.

Download the infographic to learn more about the top 10 areas of the Form 990 that should be a focus for boards.

Save the date

NFP Governance and Fiscal Workshop 2024

June 5 and 6

Topics will include:

- Top challenges faced across NFP organizations
- Panel discussion on NFP mergers and acquisitions
- Managing workforce challenges and HR considerations
- Cybersecurity
- Compliance
- And more...

Learn more and save your spot!

Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

[Visit the resource page.]

Questions? Let’s connect.

Ryan Lay, CPA
Engagement Partner

P: (414) 777 5334
E: ryan.lay@bakertilly.com

Alex Dati, CPA
Senior Manager

P: (414) 777 5861
E: alex.dati@bakertilly.com

Amy Jeninga, CPA
Pre-Issuance Reviewer

P: (414) 777 5350
E: amy.jeninga@bakertilly.com

Troy Marine, CPA
Firm Tax Director

P: (414) 777 5376
E: troy.marine@bakertilly.com

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 occuring 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 jeapordize 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.

DRAFT 2.21.24

Kirby Davidson
President & CEO

Katie Bolen-Irwin
Controller

DRAFT 2.21.24

Graduate School of Banking, Inc. and Herbert V. Prochnow Educational Foundation, Inc.

Consolidated Financial Statements and Supplementary Information

October 31, 2023 and 2022

Graduate School of Banking, Inc. and
Herbert V. Prochnow Educational Foundation, Inc.

Table of Contents
October 31, 2023 and 2022

	Page
Independent Accountants' Review Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Consolidated Statements of Functional Revenues and Public Support and Expenses	6
Notes to Consolidated Financial Statements	8
Supplementary Information	
Consolidating Schedule of Financial Position	19
Consolidating Schedule of Activities	20

Independent Accountants' Review Report

To the Board of Trustees of
Graduate School of Banking, Inc. and Herbert V. Prochnow Educational Foundation, Inc.

We have reviewed the accompanying consolidated financial statements of the Graduate School of Banking, Inc. (the School) and Herbert V. Prochnow Educational Foundation, Inc. (the Foundation) (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of October 31, 2023, and the related consolidated 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2023 consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2022 Consolidated Financial Statements

The 2022 consolidated financial statements were audited by us and we expressed an unmodified opinion on them in our report dated March 3, 2023. We have not performed any auditing procedures since that date.

Emphasis of a Matter

As discussed in Note 1 to the consolidated financial statements, the Organization adopted Accounting Standards Update No. 2016-02, *Leases (Topic 842)* and all related amendments in 2023. Our conclusion is not modified with respect to this matter.

Supplementary Information

The consolidating schedules included in the supplementary information are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic consolidated financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Milwaukee, Wisconsin
February 28, 2024

Graduate School of Banking, Inc. and
Herbert V. Prochnow Educational Foundation, Inc.

Consolidated Statements of Financial Position
October 31, 2023 (Reviewed) and 2022 (Audited)

	2023 (Reviewed)	2022 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	$ 1,112,323	$ 834,779
Accrued interest and dividends	31,372	17,808
Accounts receivable	563	24,875
Other receivable	90,064	90,064
Prepaid expenses	48,026	56,385
Total current assets	1,282,348	1,023,911
Investments	8,495,653	8,638,233
Restricted Cash	10,027	10,024
Operating Right-of-Use Asset	68,152	-
Property, Equipment and Software, Net	228,612	359,606
Total assets	$ 10,084,792	$ 10,031,774
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 158,767	$ 181,163
Accrued liabilities	92,737	80,192
Deferred revenue	150,148	273,815
Current portion of operating lease liability	14,027	-
Total current liabilities	415,679	535,170
Long-Term Portion of Operating Lease Liability	54,415	-
Total liabilities	470,094	535,170
Net Assets		
Without donor restrictions	9,599,698	9,478,604
With donor restrictions	15,000	18,000
Total net assets	9,614,698	9,496,604
Total liabilities and net assets	$ 10,084,792	$ 10,031,774

Graduate School of Banking, Inc. and
Herbert V. Prochnow Educational Foundation, Inc.

Consolidated Statements of Activities
Years Ended October 31, 2023 (Reviewed) and 2022 (Audited)

	2023 (Reviewed)			2022 (Audited)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Public Support						
Program revenue (net of $152,145 and $178,280 in scholarships in 2023 and 2022, respectively)	$ 3,748,184	$ -	$ 3,748,184	$ 3,768,814	$ -	$ 3,768,814
Other	100,452	-	100,452	93,075	-	93,075
Net investment return	84,488	-	84,488	(496,032)	-	(496,032)
Release from restrictions	3,000	(3,000)	-	3,000	(3,000)	-
Total revenues and public support	3,936,124	(3,000)	3,933,124	3,368,857	(3,000)	3,365,857
Expenses						
Program	2,443,572	-	2,443,572	2,595,915	-	2,595,915
Management and general	1,371,458	-	1,371,458	1,188,907	-	1,188,907
Total expenses	3,815,030	-	3,815,030	3,784,822	-	3,784,822
Changes in net assets	121,094	(3,000)	118,094	(415,965)	(3,000)	(418,965)
Net Assets, Beginning	9,478,604	18,000	9,496,604	9,894,569	21,000	9,915,569
Net Assets, Ending	$ 9,599,698	$ 15,000	$ 9,614,698	$ 9,478,604	$ 18,000	$ 9,496,604

See notes to consolidated financial statements

DRAFT 2.21.24

Consolidated Statements of Cash Flows
Years Ended October 31, 2023 (Reviewed) and 2022 (Audited)

	2023 (Reviewed)	2022 (Audited)
Cash Flows From Operating Activities		
Change in net assets	$ 118,094	$ (418,965)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation and amortization	247,545	283,177
Net realized investment gains	(115,771)	(384,251)
Net unrealized investment losses	290,938	1,101,923
Lease costs	290	-
Changes in assets and liabilities:		
Accrued interest and dividends	(13,564)	(6,845)
Accounts receivable	24,312	(19,433)
Other receivable	-	107,452
Prepaid expenses	8,359	(15,871)
Accounts payable	(22,396)	24,102
Accrued liabilities	12,545	(28,486)
Deferred revenue	(123,667)	(190,866)
Net cash flows from operating activities	426,685	451,937
Cash Flows From Investing Activities		
Purchases of property, equipment and software	(116,551)	(192,770)
Purchases of investments	(3,068,563)	(2,785,806)
Proceeds from sales of investments	3,035,976	2,809,339
Net cash flows from investing activities	(149,138)	(169,237)
Net change in cash, cash equivalents and restricted cash	277,547	282,700
Cash, Cash Equivalents and Restricted Cash, Beginning	844,803	562,103
Cash, Cash Equivalents and Restricted Cash, Ending	$ 1,122,350	$ 844,803
Supplemental Cash Flow Disclosures		
Operating right-of-use asset obtained in exchange for operating lease liability at implementation	$ 76,400	$ -
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows from operating lease	$ 9,429	$ -

See notes to consolidated financial statements

Graduate School of Banking, Inc. and
Herbert V. Prochnow Educational Foundation, Inc.

Consolidated Statement of Functional Revenues and Public Support and Expenses
Year Ended October 31, 2023 (Reviewed)

	Educational Programs						
	Graduate School	Specialty Schools	Online Seminars	Advanced Programs	Total Program	Management and General	Total
Revenues and Public Support							
Program revenue (net of $152,145 in scholarships)	$ 2,497,230	$ 796,450	$ 444,659	$ 9,845	$ 3,748,184	$ -	$ 3,748,184
Other	60,615	12,681	7	20,610	93,913	6,539	100,452
Net investment return	-	-	-	-	-	84,488	84,488
Total revenues and public support	2,557,845	809,131	444,666	30,455	3,842,097	91,027	3,933,124
Expenses							
Wages and benefits	311,793	30,876	57,918	3,935	404,522	622,098	1,026,620
Honorariums and professional fees	347,900	129,550	170,263	15,200	662,913	94,545	757,458
Public relations and promotion	-	-	-	-	-	193,795	193,795
Travel	108,172	37,021	-	3,159	148,352	194,205	342,557
Supplies, materials and technology	78,165	6,550	-	-	84,715	175,038	259,753
Student lodging and meals	564,775	67,415	-	2,621	634,811	-	634,811
Occupancy	34,772	46,424	2,879	2,272	86,347	60,080	146,427
Rebates, referral fees and revenue sharing	1,750	94,292	110,022	-	206,064	-	206,064
Depreciation and amortization	215,848	-	-	-	215,848	31,697	247,545
Total expenses	1,663,175	412,128	341,082	27,187	2,443,572	1,371,458	3,815,030
Change in net assets	$ 894,670	$ 397,003	$ 103,584	$ 3,268	$ 1,398,525	$ (1,280,431)	$ 118,094

See notes to consolidated financial statements

Graduate School of Banking, Inc. and
Herbert V. Prochnow Educational Foundation, Inc.

Consolidated Statement of Functional Revenues and Public Support and Expenses
Year Ended October 31, 2022 (Audited)

	Educational Programs						
	Graduate School	Specialty Schools	Online Seminars	Advanced Programs	Total Program	Management and General	Total
Revenues and Public Support							
Program revenue (net of $178,280 in scholarships)	$ 2,462,320	$ 931,720	$ 350,609	$ 24,165	$ 3,768,814	$ -	$ 3,768,814
Other	47,839	4,895	101	36,713	89,548	3,527	93,075
Net investment return	-	-	-	-	-	(496,032)	(496,032)
Total revenues and public support	2,510,159	936,615	350,710	60,878	3,858,362	(492,505)	3,365,857
Expenses							
Wages and benefits	297,291	29,256	54,874	3,729	385,150	587,275	972,425
Honorariums and professional fees	349,840	130,350	130,900	30,250	641,340	61,641	702,981
Public relations and promotion	-	-	-	-	-	167,911	167,911
Travel	91,815	34,877	-	5,970	132,662	155,695	288,357
Supplies, materials and technology	77,294	7,078	-	-	84,372	118,382	202,754
Student lodging and meals	563,561	255,378	-	2,641	821,580	-	821,580
Occupancy	31,232	39,691	5,506	2,521	78,950	85,075	164,025
Rebates, referral fees and revenue sharing	3,000	94,129	84,483	-	181,612	-	181,612
Depreciation and amortization	270,249	-	-	-	270,249	12,928	283,177
Total expenses	1,684,282	590,759	275,763	45,111	2,595,915	1,188,907	3,784,822
Change in net assets	$ 825,877	$ 345,856	$ 74,947	$ 15,767	$ 1,262,447	$ (1,681,412)	$ (418,965)

See notes to consolidated financial statements

1. Summary of Significant Accounting Policies

Nature of Activities

The consolidated financial statements reflect the accounts of the Graduate School of Banking, Inc. (the School) and the Herbert V. Prochnow Educational Foundation, Inc. (the Foundation), (collectively referred to as the Organization). The School provides a comprehensive course of study of general banking and management subjects specifically designed to meet the needs of bankers. The Foundation serves as a supporting organization to the School. Through this relationship, the Foundation supports research in banking and education and sponsors a number of educational scholarship programs and activities intended to benefit the banking industry.

Basis of Presentation

The consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash, Cash Equivalents and Restricted Cash

The Organization defines cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. Restricted cash is pledged as collateral for the State of Wisconsin Unemployment Compensation Fund. Cash, cash equivalents and restricted cash as of October 31, 2023 and 2022 are as follows:

	2023 (Reviewed)	2022 (Audited)
Cash and cash equivalents	$ 1,112,323	$ 834,779
Restricted cash	10,027	10,024
Total	$ 1,122,350	$ 844,803

Accounts Receivable

Accounts receivable consists primarily of amounts due from financial institutions and participants for educational-related programs. The Organization records accounts receivable at the amount management expects to receive from the net transaction price. Bad debt expense has historically been insignificant.

Investments

Investments, except for money market funds, are stated at fair value (see Note 3). Purchases and sales of investments are recorded as of the settlement date. Gains or losses on sales of investments, net of investment fees, are recognized using the specific identification method. Money market fund investments are not considered to be cash equivalents for purposes of reporting cash flows. Money market funds are measured at cost and therefore are excluded from the fair value hierarchy.

Risks and Uncertainties

The Organization invests in various marketable securities. Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Property, Equipment and Software

Property, equipment and software are stated at cost. All acquisitions of property, equipment and software in excess of $5,000 and all expenditures for improvements and betterments that extend the useful lives of assets are capitalized. Property, equipment and software are depreciated and amortized using the straight-line method over their estimated useful lives. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are included in the consolidated statements of activities.

Impairment of Long-lived Assets

The Organization reviews long-lived assets, including property, equipment and software, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Deferred Revenue

Tuition and fees applying to services to be rendered in future periods are recorded as deferred revenue when received and reflected as revenue in the year when the course takes place.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or time restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations or net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization. As of October 31, 2023 and 2022, the Organization had net assets with donor restrictions of $15,000 and $18,000, respectively, that were restricted for scholarships.

Board Designated Net Assets

The Organization's Board of Trustees can designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Trustees at any time. The Organization's Board of Trustees has not designated any amounts as of October 31, 2023 and 2022.

Revenue Recognition

Educational program revenues are recognized in the period in which the programs and services are delivered. Performance obligations for registration fees, tuition, meals and lodging are satisfied over time as the programs are provided. Online seminar revenues are recognized over time as the seminars are provided, or, for multi-session seminars, recognition is pro-rata by session date. Transaction prices are determined annually and are communicated in the registration process. Students are billed in advance with payment due prior to the program. Discounts and scholarships provided by the Organization are reflected as a reduction of program revenue. Registration fees are nonrefundable. Other fees can be canceled for a refund dependent on the timing of the notice of cancellation in relation to the program start date or fees can be left on account to be used for future programs within a 24-month period.

There are no expressed or implied warranties. There is no revenue recognized for services performed in prior periods. There are no contract assets. Contract liabilities are recorded as deferred revenue on the consolidated statements of financial position and are anticipated to be recognized in the next fiscal year when the performance obligations are met. Accounts receivable and contract liabilities as of the beginning and end of the years ending October 31, 2023 and 2022 are as follows:

	November 1, 2021 (Reviewed)	October 31, 2022 (Audited)	October 31, 2023 (Reviewed)
Accounts receivable	$ 5,442	$ 24,875	$ 563
Contract liabilities, current	464,681	273,815	150,148

Contributions and grants, including unconditional promises to give, are recognized in the period received. Conditional contributions and grants, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. As of October 31, 2023 and 2022, there were no conditional contributions or grants. Donor restricted contributions and grants whose restrictions are met in the same reporting period are reported as public support without donor restrictions.

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense was $80,026 and $68,166 for the years ended October 31, 2023 and 2022, respectively.

Tax-Exempt Status

The School and Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, are not subject to federal or state income taxes.

The School and Foundation follow the accounting guidance for uncertainty in income taxes, which requires recognition and disclosure of uncertain tax positions in the consolidated financial statements when it is more likely than not, based on technical merits, that the position will not be sustained upon examination. The School and Foundation do not believe it has taken any material uncertain tax positions, and accordingly, they have not recorded any liability for unrecognized tax benefits.

Expense Allocations

The consolidated financial statements report revenues and public support and expenses that are attributable to specific program or supporting functions of the Organization. Wages and benefits are allocated based on time and effort of employees. Occupancy is allocated based on square footage. All remaining expenses directly attributable to a specific functional activity of the Organization are reported as expenses of those functional activities.

Employee Retention Credit

The Employee Retention Credit (ERC), which was included as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and amended by the Consolidated Appropriations Act (CAA), the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA) incentivized employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit was allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. The Organization qualified for the ERC as it experienced a significant decline in gross receipts.

The Organization accounted for this federal funding in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 guidance for conditional contributions and, accordingly, revenues were measured and recognized when barriers were met. The Organization claimed credits of $197,516 which were included in other public support in the consolidated statement of activities for the year ended October 31, 2021. As of October 31, 2023 and 2022, the Organization had an ERC receivable of $90,064 within other receivable on the consolidated statements of financial position. Management anticipates collecting the receivable during 2024. No allowance was deemed necessary as of October 31, 2023 and 2022 as payments under the program were frozen during the year ending October 31, 2023 and the Organization has not received any correspondence indicating payments would not be received.

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and public support and expenses during the reporting period. Actual results could differ from those estimates.

Adopted Accounting Pronouncements

Effective November 1, 2022, the Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842),* and all related amendments using the modified retrospective approach. The Organization's 2022 consolidated financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the noncancellable lease term. Expenses for finance leases are comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. At the date of adoption, $76,400 right-of-use assets and lease liabilities were recognized. There was no adjustment to net assets as a result of adopting ASU No. 2016-02.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Organization elected the package of practical expedients permitted under the transition guidance which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

The new standard provides for several accounting policy elections, as follows:

- The Organization has elected the policy not to separate lease and nonlease components for real estate leases;
- When the rate implicit in the lease is not determinable, rather than use the Organization's incremental borrowing rate, the Organization elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes; and
- The Organization elected not to apply the recognition requirements to all asset classes of leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 7.

2. Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures such as operating expenses and capital expenditures are as follows:

	2023 (Reviewed)	2022 (Audited)
Cash and cash equivalents	$ 1,112,323	$ 834,779
Accounts, interest and other receivable	121,999	132,747
Investments	8,495,653	8,638,233
Less donor restricted assets	(12,000)	(13,500)
Total financial assets	$ 9,717,975	$ 9,592,259

As of October 31, 2023, the Organization had cash on hand to cover approximately 100 days of budgeted operating expenses. Investments may be liquidated and utilized if needed; in general, approximately 4% of the investment balance is budgeted for current needs. Net assets with donor restrictions consist of donations for scholarships that are to be expended over the next four years; $3,000 and $4,500 was available for scholarships in fiscal year 2024 and 2023, respectively.

The Organization utilizes an insured sweep account to invest cash in excess of daily requirements in short-term investments as part of its liquidity management. The School's cash reserves policy allows for cash amounts in excess of 20% of the School's budgeted expenses to be contributed to the Foundation for inclusion in the Foundation's investment portfolio.

3. Investments

The following is a summary of the fair value of investments:

	2023 (Reviewed)	2022 (Audited)
Money market funds	$ 4,054	$ 141,183
Common stock and funds	5,606,570	5,778,605
Preferred stock and funds	460,178	657,476
Corporate bonds	690,258	576,929
Bond sector exchange traded funds (ETFs)	358,904	654,192
Government bonds	1,375,689	829,848
Total investments	$ 8,495,653	$ 8,638,233

Fair Value Measurements

The Organization follows current accounting guidance for fair value measurements. Current guidance establishes a single authoritative definition of fair value, sets a framework for measuring fair value and requires additional disclosures about fair value measurements. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following are descriptions of the valuation methodologies used for investments measured at fair value:

Money market funds are determined on the cost basis. As a result, they are excluded from the fair value hierarchy level disclosures.

Common stock and funds consist of various stocks valued using quoted market prices. They are classified as Level 1 as they are traded in an active market.

Preferred stock and funds are valued using quoted market prices. They are classified as Level 1 as they are traded in an active market.

Corporate and government bonds have readily determinable valuation but are not traded on an active market; they have been classified as Level 2.

Bond sector ETFs are valued using quoted market prices. They are classified as Level 1 as they are traded in an active market.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	2023 (Reviewed)			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Common stock and funds	$ 5,606,570	$ -	$ -	$ 5,606,570
Preferred stock and funds	460,178	-	-	460,178
Corporate bonds	-	690,258	-	690,258
Bond sector ETFs	358,904	-	-	358,904
Government bonds	-	1,375,689	-	1,375,689
Total investments at fair value	$ 6,425,652	$ 2,065,947	$ -	8,491,599
Money market funds				4,054
Total investments				$ 8,495,653

	2022 (Audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Common stock and funds	$ 5,778,605	$ -	$ -	$ 5,778,605
Preferred stock and funds	657,476	-	-	657,476
Corporate bonds	-	576,929	-	576,929
Bond sector ETFs	654,192	-	-	654,192
Government bonds	-	829,848	-	829,848
Total investments at fair value	$ 7,090,273	$ 1,406,777	$ -	8,497,050
Money market funds				141,183
Total investments				$ 8,638,233

4. Property, Equipment and Software

The major categories of property, equipment and software as of October 31, 2023 and 2022 are summarized as follows:

	Useful Lives	2023 (Reviewed)	2022 (Audited)
Leasehold improvements	Lease term	$ -	$ 8,594
Furniture and fixtures	10 years	5,547	38,561
Software	3-5 years	1,137,193	1,026,188
Property, equipment and software, at cost		1,142,740	1,073,343
Less accumulated depreciation and amortization		914,128	713,737
Property, equipment and software, net		$ 228,612	$ 359,606

5. Scholarship Commitments

The Foundation has established various scholarships for participants attending the Graduate School of Banking program. The scholarship awards provide discounts from the regularly charged fees for each of the three sessions of the School's graduate banking program attended over the 25 month program. The amount of the scholarship is determined based on the tuition at the time of the award. Most of the scholarships will be used in the next two years.

Scholarships are also available to qualifying students of the one-week Human Resources Management (HR) School. The scholarship awards provide discounts from the regularly charged fees and are also determined based on the tuition at the time of the award.

Scholarships are forfeited if not used within a specified amount of time.

Scholarships are considered conditional promises to give because the recipients are required to be in attendance for the School's programs. Scholarships are recognized during the year the student meets the attendance requirements. Scholarships used during the years ended October 31, 2023 and 2022 are reflected as a reduction of program revenue on the consolidated statements of activities as discussed in Note 1.

The tables below show the status of scholarship commitments over the years ended October 31, 2023 and 2022, respectively:

	Reviewed				
	Scholarship Commitments at 11/1/2022	Awarded	Used	Expired	Scholarship Commitments at 10/31/2023
Graduate School	$ 258,245	$ 116,145	$ 145,845	$ 60,000	$ 168,545
HR School	-	7,000	6,300	-	700
Total	$ 258,245	$ 123,145	$ 152,145	$ 60,000	$ 169,245

	Audited				
	Scholarship Commitments at 11/1/2021	Awarded	Used	Expired	Scholarship Commitments at 10/31/2022
Graduate School	$ 281,080	$ 187,845	$ 165,680	$ 45,000	$ 258,245
HR School	2,100	10,500	12,600	-	-
Total	$ 283,180	$ 198,345	$ 178,280	$ 45,000	$ 258,245

6. Retirement Plan

The Organization has a 401(k) defined contribution retirement savings plan covering all eligible employees as defined in the plan. The Organization is required to make a fixed contribution to the plan equal to 4% of a participant's annual compensation and an additional discretionary matching contribution of up to 6% of a participant's compensation to the plan. The Organization's contributions to the plan were $84,518 and $80,992 for the years ended October 31, 2023 and 2022, respectively.

7. Operating Leases

Leases - Prior to November 1, 2022

The Organization leased office space and certain equipment. The office space lease expired on March 31, 2023. All leases were accounted for as operating leases. Rent expense on the operating leases was $63,875 for the year ended October 31, 2022.

Leases - November 1, 2022 and After

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

On April 1, 2023, the Organization entered into a new office space lease. The office space is owned by a sponsoring state banker association which is represented on the Organization's Board of Trustees. The initial lease term of the new office space lease is one year from the commencement date and includes an option to renew for one year extensions with an annual increase based on market conditions not to exceed 5%. The lease automatically renews annually unless either the lessee or lessor provides written notice of nonrenewal. The Organization regularly evaluates the renewal option and when they are reasonably certain of exercise, the Organization includes such options in the lease term. The Organization has estimated that it will exercise this option for 60 months from the commencement of the lease.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses the rate implicit in the lease, or if not readily available, the Organization uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term. The rate used in 2023 was 3.52% on its office space lease.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;

- Determined whether contracts contain embedded leases; and

The following table summarizes the operating lease right-of-use asset and operating lease liability as of October 31, 2023:

Operating lease right-of-use asset	$ 68,152
Operating lease liability:	
Current	$ 14,027
Long-term	54,415
Total lease liabilities	$ 68,442

The operating lease expense on the office space lease incurred during the year ended October 31, 2023 was $9,429. Additional lease expense for short-term leases was $25,957 during the year ended October 31, 2023.

The table below summarizes the Organization's schedule future minimum lease payments for years ending after October 31, 2023:

Years ending October 31:	
2024	$ 16,164
2025	16,402
2026	16,817
2027	17,237
2028	7,255
Total lease payments	73,875
Less present value discount	(5,433)
Total lease liabilities	68,442
Less current portion	(14,027)
Operating lease liability, noncurrent portion	$ 54,415

8. Referral Fees

The Organization pays referral fees to various sponsoring state bankers associations for students from their state who enroll in select programs. Most sponsoring state associations are represented on the Organization's Board of Trustees by the senior staff executive from each sponsoring state association. The referral fees paid to these sponsoring associations were $145,572 and $117,483 for the years ended October 31, 2023 and 2022, respectively.

9. Commitments and Contingencies

Financial Awards From Grantors

Financial awards from federal sources in the form of grants recognized in prior periods are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

10. Subsequent Events

The Organization has evaluated subsequent events through February 28, 2024, which is the date that the consolidated financial statements were approved and available to be issued and determined that all subsequent events have been appropriately recognized and disclosed in the accompanying consolidated financial statements.

DRAFT 2.21.24

Graduate School of Banking, Inc. and
Herbert V. Prochnow Educational Foundation, Inc.

Consolidating Schedule of Financial Position
October 31, 2023

	Graduate School of Banking, Inc.	Prochnow Educational Foundation, Inc.	Total	Eliminations	Consolidated
Current Assets					
Cash and cash equivalents	$ 1,081,067	$ 31,256	$ 1,112,323	$ -	$ 1,112,323
Accrued interest and dividends	-	31,372	31,372	-	31,372
Accounts receivable	563	-	563	-	563
Other receivable	90,064	-	90,064	-	90,064
Intercompany receivable (payable)	104	(104)	-	-	-
Prepaid expenses	47,147	879	48,026	-	48,026
Total current assets	1,218,945	63,403	1,282,348	-	1,282,348
Investments	-	8,495,653	8,495,653	-	8,495,653
Restricted Cash	10,027	-	10,027	-	10,027
Operating Right-of-Use Asset	68,152	-	68,152	-	68,152
Property, Equipment and Software, Net	228,612	-	228,612	-	228,612
Total assets	$ 1,525,736	$ 8,559,056	$ 10,084,792	$ -	$ 10,084,792
Current Liabilities					
Accounts payable	$ 158,767	$ -	$ 158,767	$ -	$ 158,767
Accrued liabilities	92,737	-	92,737	-	92,737
Deferred revenue	150,148	-	150,148	-	150,148
Current portion of operating lease liability	14,027	-	14,027	-	14,027
Total current liabilities	415,679	-	415,679	-	415,679
Long-Term Portion of Operating Lease Liability	54,415	-	54,415	-	54,415
Total liabilities	470,094	-	470,094	-	470,094
Net Assets					
Without donor restrictions	1,055,642	8,544,056	9,599,698	-	9,599,698
With donor restrictions	-	15,000	15,000	-	15,000
Total net assets	1,055,642	8,559,056	9,614,698	-	9,614,698
Total liabilities and net assets	$ 1,525,736	$ 8,559,056	$ 10,084,792	$ -	$ 10,084,792

Graduate School of Banking, Inc. and
Herbert V. Prochnow Educational Foundation, Inc.

Consolidating Schedule of Activities
Year Ended October 31, 2023

	Without Donor Restrictions		With Donor Restrictions				
	Graduate School of Banking, Inc.	Prochnow Educational Foundation, Inc.	Prochnow Educational Foundation, Inc.	Total Prochnow Educational Foundation, Inc.	Total	Eliminations	Consolidated
Revenues and Public Support							
Program revenue	$ 3,900,329	$ -	$ -	$ -	$ 3,900,329	$ (152,145)	$ 3,748,184
Other	133,952	6,500	-	6,500	140,452	(40,000)	100,452
Net investment return	2,165	82,323	-	82,323	84,488	-	84,488
Release from restrictions	-	3,000	(3,000)	-	-	-	-
Total revenues and public support	4,036,446	91,823	(3,000)	88,823	4,125,269	(192,145)	3,933,124
Expenses							
Program	2,443,572	152,145	-	152,145	2,595,717	(152,145)	2,443,572
Management and general	1,351,711	59,747	-	59,747	1,411,458	(40,000)	1,371,458
Total expenses	3,795,283	211,892	-	211,892	4,007,175	(192,145)	3,815,030
Change in net assets	241,163	(120,069)	(3,000)	(123,069)	118,094	-	118,094
Net Assets, Beginning	814,479	8,664,125	18,000	8,682,125	9,496,604	-	9,496,604
Net Assets, Ending	$ 1,055,642	$ 8,544,056	$ 15,000	$ 8,559,056	$ 9,614,698	$ -	$ 9,614,698

Graduate School of Banking/Prochnow Educational Foundation
Estimated Cash and Investment Accounts
As of

		03/15/21	03/15/22	03/15/23	03/15/24
GSB					
	Checking	$1,200,607	$1,144,840	$1,430,389	$1,295,326
	7-month CD	$0	$0	$0	$325,000
		$1,200,607	**$1,144,840**	**$1,430,389**	**$1,620,326**
PEF					
	Checking	$27,444	$23,881	$24,584	$18,354
	Investment Portfolio	$8,365,360	$9,199,319	$8,847,488	$9,479,376
		$8,392,804	**$9,223,200**	**$8,872,072**	**$9,497,730**
Total		**$9,593,412**	**$10,368,040**	**$10,302,461**	**$11,118,056**

BOARD OF TRUSTEES RESOLUTIONS
GRADUATE SCHOOL OF BANKING, INC.

WHEREAS, after discussions and review by and among the Trustees of the Graduate School of Banking, Inc. (“Corporation”), and the Corporation’s legal counsel and tax advisors, the Board of Trustees believes it would be in the best interests of the Corporation to approve certain amendments to Corporation’s Restated Bylaws clarifying that Trustees receiving compensation for services rendered other than in their capacity as a Trustee shall not participate in any Board discussions related to, and shall abstain from voting on, matters related to the compensation and benefits of the Corporation’s employees, all in the form attached to these Resolutions.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves the Amendment to Restated Bylaws of the Corporation attached to these Resolutions as Exhibit A; and

RESOLVED, the Amendment to Restated Bylaws shall be incorporated into the Corporation’s Restated Bylaws attached to these Resolutions as Exhibit B, and that the Chair of the Board of Trustees of the Corporation, is hereby authorized to execute the Restated Bylaws to evidence their adoption by the Board of Trustee effective as April 1, 2024; and

RESOLVED, that the Board of Trustees hereby authorizes, approves, ratifies and confirms in all respects actions taken by the Officers of the Corporation prior to this meeting of the Board of Trustees to carry out and effectuate the purposes and intent of the Resolutions adopted hereby.

CERTIFICATION

I certify that the foregoing Resolutions were duly adopted by the Board of Trustees of the Graduate School of Banking, Inc. at a regularly scheduled meeting of the Board of Trustees on April 1, 2024, at which meeting ___ current members of the Board of the Trustees were present in person or by telephone or video conference. ___ members of the Board of Trustees were not present at the meeting in person or by telephone or video conference. All members of the Board of Trustees present in person or by conference call at the meeting voted for the foregoing Resolutions, and none voted against the Resolutions or abstained from the vote. The motion to adopt the foregoing Resolutions was made by ____________ and seconded by _____________. ___ Trustees voted for the foregoing Resolutions. The foregoing Resolutions were approved by a majority of the Trustees in office at the time the Resolutions were adopted.

Dated April 1, 2024.

____

Kirby Davidson, President & CEO,
Graduate School of Banking, Inc.

EXHIBIT A

AMENDMENT TO RESTATED BYLAWS OF GRADUATE SCHOOL OF BANKING, INC.

APRIL 1, 2024

Article III, Section 12 is hereby deleted in its entirety and replaced with the following:

SECTION 12. Compensation.

(a) No compensation shall be paid to any Trustee for services rendered to the Corporation as a Trustee, but the Trustees shall be reimbursed their expenses incurred in attending meetings of the Board and other expenses incident to Board or committee assignments as per the current Trustee expense reimbursement policy in place at that time.

(b) A Trustee that receives compensation from the Corporation for services rendered other than as a Trustee shall not participate in any board discussions related to, and shall abstain from voting on, any matters related to the compensation and benefits of the Corporation's employees.

Adopted April 1, 2024.

EXHIBIT B

Restated Bylaws

RESTATED BYLAWS

OF THE

GRADUATE SCHOOL OF BANKING, INC.

ARTICLE I

NAME AND OFFICES

SECTION 1. Name. The name of the Corporation shall be the Graduate School of Banking, Inc. The advanced management schools and online programs conducted by the Corporation for financial services professionals are presented in conjunction with the Central States Conference of Bankers Associations and the University of Wisconsin-Madison.

SECTION 2. Office. The principal office of the Corporation shall be located at 5315 Wall Street, Suite 280, City of Madison, Dane County, Wisconsin.

ARTICLE II

MEMBERS

SECTION 1. Membership. The Corporation shall have no members. The affairs of the Corporation shall be managed by the Board of Trustees and the Officers of the Corporation as provided by these Bylaws and the Articles of Incorporation.

SECTION 2. Sponsorship. The Corporation shall be sponsored by the Central States Conference of Bankers Associations ("CSCBA"), but such sponsorship shall not confer or create any liability or any membership or membership rights in the Corporation for CSCBA, any persons associated with CSCBA or any of CSCBA's member associations.

ARTICLE III

BOARD OF TRUSTEES

SECTION 1. General Powers. The affairs of the Corporation shall be managed by its Board of Trustees of not less than ten (10) Trustees nor more than twenty-five (25) Trustees.

SECTION 2. Election and Qualification. The Board shall consist of those individuals who from time to time hold the positions or offices designated in this Article. The Board shall include the senior staff executive employed by each state bankers association that is a member of the CSCBA. State bankers associations currently entitled to representation on the Board are the Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas and Wisconsin bankers associations. The Board shall also include an academic officer appointed jointly by the President of the Corporation and the University of Wisconsin-Madison School of Business (hereafter "University"), the current Chair and Vice Chair of the Banker Advisory Board, a faculty representative from the Curriculum Advisory Committee and such additional Trustees as the Board may determine from time to time. The President of the Corporation shall serve as an ex officio nonvoting member of the Board. Trustees need not be residents of the State of Wisconsin.

SECTION 3. Tenure. The term of office for each Trustee representing a member association of CSCBA, the President of the Corporation, and the academic officer of the University, shall be continuous while holding those respective positions or offices. The term(s) of office of any additional Trustee(s) shall be three (3) years each, said terms commencing at the conclusion of the annual meeting at which their appointment shall occur, and continuing through the end of the third succeeding annual meeting thereafter. The term of office for each Trustee shall be as provided in these Bylaws, or until the Trustee shall resign, die or be removed in the manner established in this Article.

SECTION 4. Removal. A Trustee may resign at any time by filing his or her written resignation with the President of the Corporation. The tenure of any Trustee shall immediately terminate upon the termination of that Trustee's status entitling him or her to be a Trustee. A Trustee may be removed from office for cause by affirmative vote of two-thirds of the Trustees entitled to vote, taken at a special meeting of the Board called for that purpose. Any vacancy occurring in the office of Trustee may be filled by the Chair of the Board, subject to the approval of the Board of Trustees, for the unexpired term in accordance with these Bylaws.

SECTION 5. Annual Meeting. The Board shall meet at least once annually, and the annual meeting shall be held at the location and at the day and hour as the Chair may fix. Additional meetings of the Board may be held during the year either in-person or via audio/internet conferencing as deemed necessary by the Chair of the Board or the President provided, however, all participants can simultaneously hear or see all comments and all can immediately send messages (per Wisconsin Statute 181.0820).

SECTION 6. Special Meetings. Special meetings of the Board may, and at the written request of any five (5) Trustees shall, be called at any time by the Chair, or in the absence of the Chair, by the Vice Chair.

SECTION 7. Quorum. At all Board meetings, a majority of the Trustees shall constitute a quorum for the transaction of business, but the Trustees present at any meeting, though less than a quorum, may adjourn the meeting to some other time. The act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater number is required by law, or by the Articles of Incorporation or these Bylaws.

SECTION 8. Notice. Notice of any meeting shall be given at least five (5) calendar days prior to the meeting by written notice, telephone or email, to each Trustee at his or her business address. If mailed, the notice shall be deemed to be complete upon mailing. If given by telephone or email, the notice shall be deemed to be complete when the message is received by any person accepting telephone or such electronic messages at the business office of the Trustee, provided that notice given by telephone is immediately confirmed by written notice delivered by e-mail or mail. Whenever any notice is required to be given to any Trustee under the Articles of Incorporation or by these Bylaws or any provision of law, a waiver in writing, signed at any time, whether before or after the time of meeting, by the Trustee entitled to the notice, shall be deemed equivalent to the giving of notice. The attendance of the Trustee at a meeting shall constitute a waiver of notice of the meeting, except where a Trustee attends the meeting and objects to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board need be specified in the notice or waiver of notice of the meeting.

SECTION 9. Presumption of Assent. A Trustee of the Corporation who is present at a meeting of the Board or a committee of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the Trustee's dissent shall be entered in the minutes of the meeting. The right to dissent shall not apply to a Trustee who voted in favor of the action.

SECTION 10. Informal Action without Meeting. Any action required or permitted by the Articles of Incorporation or these Bylaws or any provision of law to be taken by the Board at a meeting or by resolution may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by Trustees then in office. This shall be signed by two-thirds of the Trustees and the informal action may be done either in writing by mail or via email.

SECTION 11. Procedure. An agenda shall be prepared in advance and under the direction of the Chair for each meeting, and copies of the agenda shall be mailed or delivered to members prior to the meeting and furnished to those present when the meeting convenes. To the extent practicable, reports of Officers and committees and forms of resolutions to be proposed shall be presented at each meeting in writing.

SECTION 12. Compensation.

(a) No compensation shall be paid to any Trustee for services rendered to the Corporation as a Trustee, but the Trustees shall be reimbursed their expenses incurred in attending meetings of the Board and other expenses incident to Board or committee assignments as per the current Trustee expense reimbursement policy in place at that time.

(b) A Trustee that receives compensation from the Corporation for services rendered other than as a Trustee shall not participate in any board discussions related to, and shall abstain from voting on, any matters related to the compensation and benefits of the Corporation's employees.

SECTION 13. Voting Requirements. Any merger or consolidation of the Corporation with or into any other corporation or organization, any sale, exchange or other disposition of all or substantially all of the assets of the Corporation, or any transaction similar to or having similar effects as any of the foregoing transactions, shall require the affirmative approval of 75% of the Trustees in office at the time the approval is adopted.

ARTICLE IV

OFFICERS

SECTION 1. Number. The Officers of the Corporation shall be a Chair, Vice Chair, a President, and a Treasurer, each of whom shall be elected by the Board. Such other Officers and Assistant Officers as may be deemed necessary may be elected by the Board. No person may hold more than one officer position.

SECTION 2. Election, Term of Office and Qualifications. The Officers of the Corporation to be elected by the Board shall be elected by the Trustees at the regular annual meeting of the Board or at any other meeting of the Board called for that purpose. The Officers shall each hold office for the term of one (1) year, with the exception of the Treasurer which is a three (3) year term, and until a successor shall have been duly elected or appointed, or until the Officer shall die, resign, or shall have been removed by the Board in the manner provided by this Article. The Chair, Vice Chair, and Treasurer shall be chosen from among those persons who are then Trustees. All other officers need not be chosen from among the Trustees.

SECTION 3. Duties and Compensation. Officers shall perform the duties usually pertaining to their respective offices and especially the duties as prescribed in this Article and such other duties as the Board may by resolution or motion direct. The compensation of the President shall be fixed by the Board.

SECTION 4. Removal. Any Officer elected by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby, but the removal shall be without prejudice to the contract rights, if any, of the removed person. Election shall not of itself create contract rights. An affirmative vote of at least 75% of the Trustees is required in order for an officer to be removed from their position.

SECTION 5. Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the Board for the unexpired portion of the term.

SECTION 6. Chair of the Board. The Chair shall preside at all meetings of the Board and shall have such other powers and duties as may from time to time be prescribed by these Bylaws or by resolution of the Board. In the event of the President's death, or inability or refusal to act, the Chair shall have the authority to appoint a successor to the position until such time as the Board is able to act. In addition to the specific committee assignments set forth in Article V of these Bylaws, the Chair shall be an ex officio member of all other committees created by the Board.

SECTION 7. Vice Chair of the Board. The Vice Chair shall perform the duties of the Chair at all times when the Chair is not readily available. In the case of removal of the Chair from office, or death or resignation, the powers and duties of the office shall devolve upon the Vice Chair who shall perform all duties of the office, until a meeting of the Board is held and a new Chair is elected.

SECTION 8. President. The President shall be the principal spokesperson of the Corporation and, in general, shall maintain regular communications between the Corporation and its constituents and publics including, but not limited to, leaders within banking and the broader financial services community, faculty, students, and alumni of the Graduate School of Banking. The President shall be the Chief Executive Officer of the Corporation and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Corporation. The President shall have authority to appoint the faculty of the Corporation and shall be in charge of the general operation of the Corporation. The President may delegate any of these responsibilities to such other officers as he or she may from time to time deem appropriate. The President shall have the authority to create and/or appoint other positions or committees and task forces as he or she believes are necessary for the efficient and effective operation of the Corporation, including the Curriculum Advisory Committee and Banker Advisory Board specified in these Bylaws. The President shall have authority, subject to any rules prescribed by the Board, to appoint agents of the Corporation as he or she shall deem necessary, to prescribe their powers and duties, and to delegate authority to them. The President shall have authority to sign, execute and acknowledge, on behalf of the Corporation, all contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the Corporation's regular business, or which shall be authorized by resolution of the Board; and, except as otherwise provided by law or the Board, the President may authorize such Officers or agents of the Corporation to sign, execute and acknowledge those documents or instruments in his or her place and stead. The President shall be the custodian of all records of the Corporation and perform all duties typically incident to the office of Secretary. The President shall perform such other duties and exercise such authority not inconsistent with these Bylaws that are incident to the office of President and as from time to time may be assigned to him or her by the Board.

SECTION 9. Treasurer. The Treasurer shall be responsible to assure that the financial affairs of the Corporation are conducted in accordance with proper accounting procedures, that appropriate financial reports are provided to the Board on a timely basis, that proper investment procedures are followed, that appropriate authorizations are obtained for all financial transactions, that safe financial practices are followed, and that legal and tax compliance procedures and controls are maintained. The position of Treasurer shall be a three (3) year term, said term commencing at the conclusion of the annual meeting at which their election shall occur, and continuing through the end of the third succeeding annual meeting thereafter.

ARTICLE V

COMMITTEES

SECTION 1. Executive Committee. There shall be an Executive Committee of the Board, consisting of the Chair, who shall serve as chair of the Committee, Vice Chair, Immediate Past Chair, Treasurer and the academic officer of the University currently serving as a Trustee. The President shall be an ex officio nonvoting member of the committee. The committee shall exercise all duties of the Board during the times that the Board shall not be in session, unless restricted by the statutes of the State of Wisconsin, the Articles of Incorporation, these Bylaws or resolutions of the Board.

SECTION 2. Finance and Audit Committee. The Finance and Audit Committee of the Board shall consist of the Executive Committee and two (2) at-large members of the Board appointed by the Chair. The Committee shall be chaired by the Treasurer. It shall be the duty and authority of the Committee, subject to the overriding authority of the Board, to direct the selection of auditors and tax preparers, the preparation of an annual review or audit of the financial affairs of the Corporation by a recognized Certified Public Accountant, development and monitoring of the annual budget, and the general supervision of the President with respect to the financial affairs of the Corporation.

SECTION 3. Nominating Committee. The Nominating Committee of the Board shall consist of the Executive Committee members and shall be chaired by the Immediate Past Chair. It shall be the duty and authority of the Committee to develop and present a slate of candidates for nomination to the positions identified in SECTION 1 of Article IV.

SECTION 4. Curriculum Advisory Committee. The Curriculum Advisory Committee shall consist of members appointed by the President from the active faculty of the Corporation’s educational programs. The Committee shall assist the President on matters pertaining to the Corporation’s educational programs and the President shall be Chair of the committee. One (1) representative from this committee shall be appointed by the President to serve a three (3) year term as the faculty representative on the Board of Trustees. These terms are served on a calendar year basis.

SECTION 5. Banker Advisory Board. The Banker Advisory Board and its Chair and Vice Chair shall be appointed by the President, and shall consist of such number of members (not less than ten [10]) as the President shall from time to time deem appropriate. The Banker Advisory Board shall consist of persons of stature and standing in the financial services or academic communities. The President shall appoint the Chair and Vice Chair of the Banker Advisory Board from those appointed to it. The Banker Advisory Board shall be advisory only, and shall provide evaluation, information and views on matters relating to the educational programs of the Corporation and the financial industry as the President may from time to time request.

SECTION 6. Other Committees. The Board may by resolution provide for various other committees and define their powers and duties.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts and Bonds. The Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. If required by the Board, an Officer of the Corporation shall give a bond for the faithful discharge of his or her duties in such sum and with the surety or sureties as the Board shall determine. The Corporation may assume the expense for such bonds.

SECTION 2. Loans. No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. The authority shall be confined to specific instances.

SECTION 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by the Officer or Officers, agent or agents of the Corporation and in the manner as shall from time to time be determined by or under the authority of a resolution of the Board.

SECTION 4. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the corporation in the financial institutions as may be selected by or under the authority of the Board.

SECTION 5. Investments. The Board or its designee shall have the sole and discretionary authority and power to direct investment and reinvestment of funds of the Corporation. All investments and other distributions of corporate funds shall be in strict accordance with the Articles of Incorporation for the Corporation, these Bylaws, and resolutions of the Board.

ARTICLE VII

SEAL

SECTION 1. The Corporation shall not have a corporate seal.

ARTICLE VIII

LIABILITY AND INDEMNIFICATION OF TRUSTEES, OFFICERS, EMPLOYEES AND AGENTS; INSURANCE

SECTION 1. Liability of Trustees and Officers. No Trustee or Officer shall be liable to the Corporation, its creditors, or any person asserting rights on behalf of the Corporation for damages, settlements, fees, fines, penalties, or other monetary liabilities arising from a breach of, or a failure to perform, any duty resulting solely from his or her status as a Trustee or Officer of the Corporation (or from his or her status as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise, including service to an employee benefit plan, which capacity the Trustee or Officer is or was serving in at the corporation's request while a Trustee or Officer of the Corporation) to the fullest extent not prohibited by law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the Corporation to further limit or eliminate the liability of a Trustee or Officer than the law permitted the Corporation to provide prior to that amendment); provided, however, that this limitation on liability shall not apply where the breach or failure to perform constitutes (a) a willful failure to deal fairly with the Corporation in connection with a matter in which the Trustee or Officer has a material conflict of interest; (b) a violation of criminal law, unless the Trustee or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (c) a transaction from which the Trustee or Officer derived an improper personal benefit; or (d) willful misconduct.

SECTION 2. Indemnification of Trustees, Officers, Employees and Agents.

(a) Right of Trustees and Officers to Indemnification. Any person shall be indemnified to the fullest extent permitted by law, as the same may exist or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than the law permitted the Corporation to provide prior to such amendment), from and against all reasonable expenses (including fees, costs, charges, disbursements, attorney fees and any other expenses) and liability (including the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan) asserted against, incurred by or imposed on him or her in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding") to which he or she is made or threatened to be made a party by reason of his or her being or having been a Trustee or Officer of the Corporation (or by reason of, while serving as a Trustee or Officer of the corporation, having served at the Corporation's request as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise, including service to an employee benefit plan); provided, however, in situations other than a successful defense of a proceeding, the Trustee or Officer shall not be indemnified where he or she breached or failed to perform a duty to the Corporation and the breach or failure to perform constitutes (a) a willful failure to deal fairly with the Corporation in connection with a matter in which the Trustee or Officer has a material conflict of interest; (b) a violation of criminal law, unless the Trustee or Officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (c) a transaction from which the Trustee or Officer derived an improper personal benefit; or (d) willful misconduct. These rights to indemnification shall include the right to be paid by the Corporation reasonable expenses as incurred in defending such proceeding provided, however, that payment of such expenses as incurred shall be made only upon such person delivering to the Corporation (a) a written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation, and (b) a written undertaking, executed personally or on his or her behalf, to repay the allowance to the extent it is ultimately determined that such person is not entitled to indemnification under this provision. The Corporation may require that the undertaking be secured and may require payment of reasonable interest on the allowance to the extent that it is ultimately determined that such person is not entitled to indemnification.

(b) Right of Trustee or Officer to Bring Suit. If a claim under subsection (a) is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the reasonable expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the Corporation) that the claimant has not met the standards of conduct under this Article which make it permissible for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation.

(c) Right of Employees and Agents to Indemnification. The Corporation by its Board of Trustees may on such terms as the Board deems advisable indemnify and allow reasonable expenses of any employee or agent of the Corporation with respect to any action taken or failed to be taken in his or her capacity as such employee or agent.

SECTION 3. Contract Rights; Amendment or Repeal. All rights under this Article shall be deemed a contract between the Corporation and the Trustee or Officer pursuant to which the Corporation and the Trustee or Officer intend to be legally bound. Any repeal, amendment or modification of this Article shall be prospective only as to conduct of a Trustee or Officer occurring thereafter, and shall not affect any rights or obligations then existing.

SECTION 4. Scope of Article. The rights granted by this Article shall not be deemed exclusive of any other rights to which a Trustee, Officer, employee or agent may be entitled under any statute, agreement, vote of disinterested Trustees or otherwise. The indemnification and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be a Trustee or Officer in respect to matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

SECTION 5. Insurance. The Corporation shall purchase and maintain insurance, at its expense, to protect itself and any person who is a Trustee, Officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service to an employee benefit plan, against any liability asserted against that person or incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article.

ARTICLE IX

AMENDMENTS AND OTHER PROVISIONS

SECTION 1. Amendment of Bylaws. These Bylaws or any of them may be altered, amended, added to, or repealed by the Board at any regular meeting or at a special meeting called for that purpose, provided, however, that ARTICLE III, Section 13, may not be amended, altered or repealed except by the affirmative approval of 75% of the Trustees in office at the time the approval is adopted.

SECTION 2. Construction of Words. Unless the context of these Bylaws plainly requires otherwise, the plural of any term defined in these Bylaws shall mean two or more thereof.

ARTICLE X

FISCAL YEAR

SECTION 1. The fiscal year of the Corporation shall begin on the 1st day of November and end on the 31st day of October in each year.

ADOPTED: April 1, 2024

____

Randy Hultgren, Chair of the Board of Trustees