

MINUTES OF BOARD OF TRUSTEES MEETING

Herbert V. Prochnow Educational Foundation
Monday, April 1, 2024
Online Meeting

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*
Richard Baier, President & CEO, Nebraska Bankers Association, Lincoln
Adrian Beverage, President and CEO, Oklahoma Bankers Association, Oklahoma City
Ballard W. Cassidy, Jr., President and CEO, Kentucky Bankers Association, Louisville
Rick Clayburgh, President and CEO, North Dakota Bankers Association
Jackson Hataway, President, Missouri Bankers Association, Jefferson City
Betsy Johnson, President and CEO, Solutions Bank, Forresteron, Illinois
Rose M. Oswald Poels, President and CEO, Wisconsin Bankers Association, Madison
Rann Paynter, President and CEO, Michigan Bankers Association, Lansing
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

Vallabh "Samba" Sambamurthy, Albert O. Nicholas Dean, Wisconsin School of Business, University of Wisconsin-Madison

OTHERS PRESENT

Kathy Berman, *VICE PRESIDENT, MARKETING & COMMUNICATIONS*
Katie Bolen-Irwin, *CONTROLLER*
Becky Patterson, *VICE PRESIDENT, EDUCATION & PROFESSIONAL DEVELOPMENT*
Alex Dati, Baker Tilly (Financial Review Report Only)
Ryan Lay, Baker Tilly (Financial Review Report Only)

CALL TO ORDER

Chair Hultgren called the Meeting to order at 2:01 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 November 14, 2023 were approved.

(November 14, 2023, minutes attached to official minutes as Exhibit I.)

FINANCE AND AUDIT COMMITTEE

Treasurer Mike Adelman introduced Ryan Lay, CPA and Engagement Partner and Alex Dati, CPA and Senior Manager, both from Baker Tilly. They presented the results of the financial review conducted by their accounting firm of the FY2023 GSB & PEF financials. Mr. Lay highlighted the following items:

- Review was conducted as planned and previously communicated.
- Cooperation was received from members of management.
- Baker Tilly is not aware of any material modifications that should be made to the consolidated financial statements.
- The transition from the former CFO to the new Controller was included as an additional step in this year's financial review and there were no issues identified.
- No management letter issued.
- No misstatements identified.
- There were some Cybersecurity suggestions to review, which are not really necessary to put into place as GSB's new managed IT is at a Level 4

Mr. Lay next reviewed the summary of the FY2023 combined financial information of the Graduate School of Banking and the Prochnow Educational Foundation.

It was moved, seconded and approved to accept the FY2023 review as presented.

(Baker Tilly Financial Review Presentation attached to official minutes as Exhibit II.)

Treasurer Adelman provided a current update on cash balances to the board:

- PEF checking is down \$6k
 - This is due to a larger payment to GSB for shared November 2023 board meeting, audit and 990 feeds, and CEO search fees since November 1, 2023
- The investment portfolio increased \$623k since last year
 - This includes a withdrawal of \$210k in October 2023 for payment to GSB for scholarships, management fee and shared board meeting expenses. Interest, dividends, and realized gains totaled \$484k, management fees were \$55k, unrealized gains totaled \$413k for the last 12 months.
- The combined GSB and PEF balance of cash and investments exceeds \$11.1m, which is a new high at this point in the year.

(The Statement of Cash Balances is attached to official minutes as Exhibit III.)

PEF MISSION COMMITTEE

Committee Chair Amber Van Til brought a recommendation to the Board that the Human Resource Management School At-Large Scholarship be renamed to the Terry Saber HR Scholarship. Terry Saber is a 40-year faculty member and was instrumental in bringing both the HR School and the UW Executive Leadership Certificate to fruition for GSB.

Secondly, the scholarship amounts for next year now need to be approved at the spring Board of Trustees Meeting. The Committee recommends that the scholarship amounts remain the same for 2025, with the amounts as follows:

- GSB Scholarships: \$1500/year for three years
- HR Scholarships: \$700/year

Each state association has one scholarship to award for GSB and the HR School. The Banker Advisory Board has a pool of 10 scholarships to award. There are also two at-large Scholarships to GSB and one at-large scholarship to the HR School. The Harris Scholarship available via the Texas Bankers Association in memory of former GSB Trustee, Bob Harris, provides a scholarship equal to 50% of the annual tuition.

It was moved, seconded and approved to change the At-Large HR School Scholarship to the Terry Saber HR School Scholarship and to keep the scholarship amounts the same for fiscal year 2025.

PRESIDENT'S REPORT

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

- Katie Bolen-Irwin was introduced as GSB's Controller
- Enrollment for spring specialty schools exceeded budget projections
- Enrollment for the Graduate Banking School is running behind projections with almost 100 students registered for the program at this time
- Fall specialty schools are doing well, with enrollment for the Financial Managers School almost at capacity
- During the January Banker Advisory Board and Curriculum Advisory Committee, it was decided to rebrand the former Sales & Marketing School to the Strategic Marketing School. This program was relaunched in February and current enrollments are already close to where they were at the this point last year.
- Online seminars are running at levels in line with previous years, but are running below last year's record registrations
- There are four, ½-day virtual workshops scheduled this spring on critical and timely topics that will add to the bottom line.
- The technology transition continues with the final platform of Quick Books Online onboarded last fall. GSB is well positioned with technology moving forward.
- The FiSim faculty are meeting in Madison in May to become familiar with the latest Fisim fixes and enhancements to the game
- FiSim Lite testing will begin sometime in April. A group of grad students and alumni will test and vet the platform thoroughly.
- The Abrigo partnership is going well. Abrigo may sunset the Foresight code that's used as the underlying ALM in FiSim; however, GSB and the current Aurum administrators believe FiSim would be better off in the long run to have its own internal ALM and not be dependent on a third-party software.
- The first alumni program was held jointly with the Illinois Bankers Association at the IBA ONE Conference in early March. Sixty-five people, consisting of alumni and future leaders, attended lunch and listened to updates from GSB staff along with Besty Johnson sharing how her GSB education shaped her career at the bank.
- Kathy Berman, Vice President of Marketing & Communications provided an update on marketing activities:
 - Kathy explained how the new Zoho CRM is assisting her in quickly following up on GSB leads.

- This year, an outside digital advertising agency was hired to assist in marketing this year’s programs.

(The President’s Report is attached to official minutes as Exhibit V. Enrollment reports are attached to official minutes as Exhibit VI.)

SCHEDULE OF FUTURE BOARD MEETINGS

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

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:59 p.m.

Prepared by: Kirby Davidson, President & CEO