



# **Report to the Board of Trustees**

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

March 20, 2025

# Overview

- Engagement team
- Review results and our report
- Summary financial information
- Today's not-for-profit environment

# Engagement team



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# 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 2016-13 CECL
- No management letter was issued
- There were no misstatements identified



# Summary of financial information

## Consolidated Statements of Financial Position

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 782,242	\$ 1,112,323
Other assets	240,710	170,025
Total current assets	1,022,952	1,282,348
Investments	10,298,828	8,495,653
Restricted cash	10,030	10,027
Operating right-of-use asset	54,654	68,152
Property, equipment, and software, net	208,199	228,612
<b>Total Assets</b>	<b>\$ 11,594,663</b>	<b>\$ 10,084,792</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 282,583	\$ 251,504
Deferred revenue	115,370	150,148
Current portion of lease liability	14,665	14,027
Total current liabilities	412,618	415,679
Long-term portion of lease liability	40,431	54,415
Total Liabilities	453,049	470,094
<b>Net Assets</b>		
Without donor restrictions	11,129,614	9,599,698
With donor restrictions	12,000	15,000
Total net assets	11,141,614	9,614,698
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,594,663</b>	<b>\$ 10,084,792</b>



# Summary of financial information

## Consolidated Statements of Activities

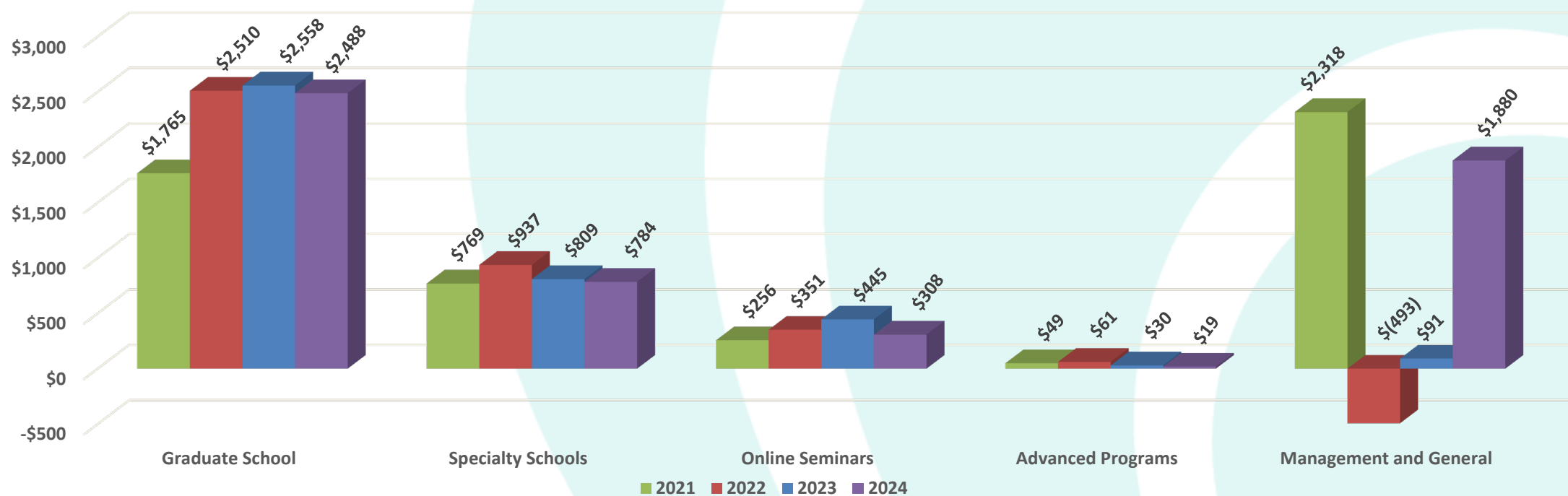
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Public Support</b>						
Program revenue	\$ 3,533,494	\$ -	\$ 3,533,494	\$ 3,748,184	\$ -	\$ 3,748,184
Other	73,023	-	73,023	100,452	-	100,452
Net investment return	1,873,897	-	1,873,897	84,488	-	84,488
Releases from restrictions	3,000	(3,000)	-	3,000	(3,000)	-
<b>Total revenues and public support</b>	<b>5,483,414</b>	<b>(3,000)</b>	<b>5,480,414</b>	<b>3,936,124</b>	<b>(3,000)</b>	<b>3,933,124</b>
<b>Expenses</b>						
Program	2,337,825	-	2,337,825	2,443,572	-	2,443,572
Management and general	1,615,673	-	1,615,673	1,371,458	-	1,371,458
<b>Total expenses</b>	<b>3,953,498</b>	<b>-</b>	<b>3,953,498</b>	<b>3,815,030</b>	<b>-</b>	<b>3,815,030</b>
Changes in net assets	1,529,916	(3,000)	1,526,916	121,094	(3,000)	118,094
<b>Net assets - Beginning of year</b>	<b>9,599,698</b>	<b>15,000</b>	<b>9,614,698</b>	<b>9,478,604</b>	<b>18,000</b>	<b>9,496,604</b>
<b>Net assets - End of year</b>	<b>\$ 11,129,614</b>	<b>\$ 12,000</b>	<b>\$ 11,141,614</b>	<b>\$ 9,599,698</b>	<b>\$ 15,000</b>	<b>\$ 9,614,698</b>





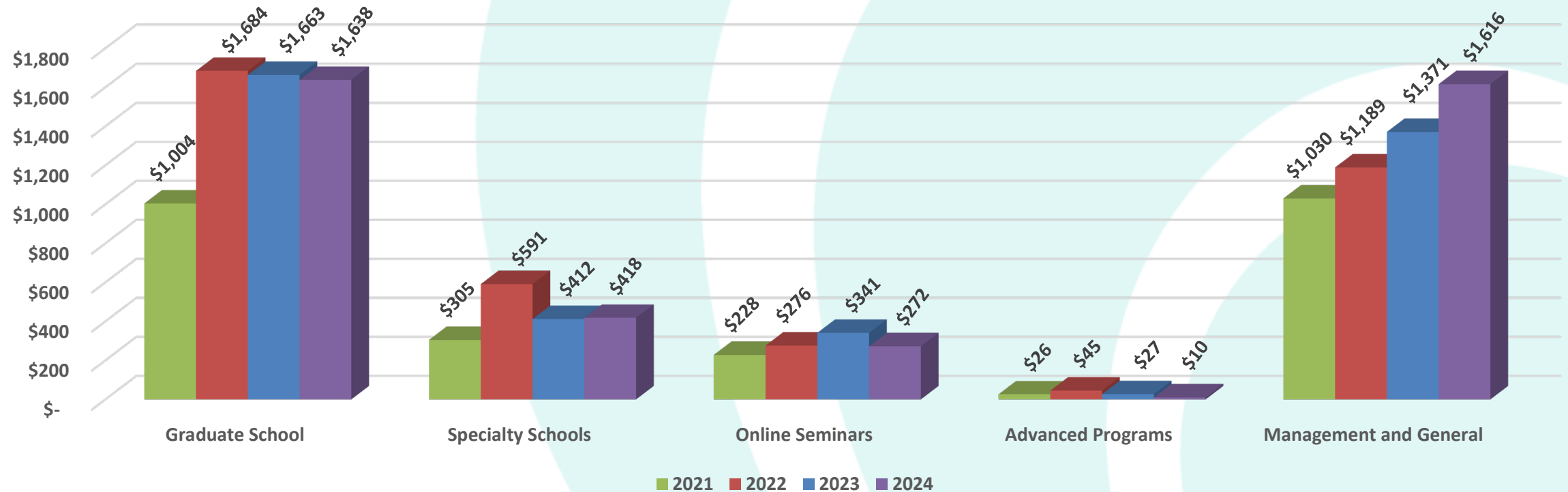
# Summary of financial information

## Consolidated Revenues by Function (000's)



# Summary of financial information

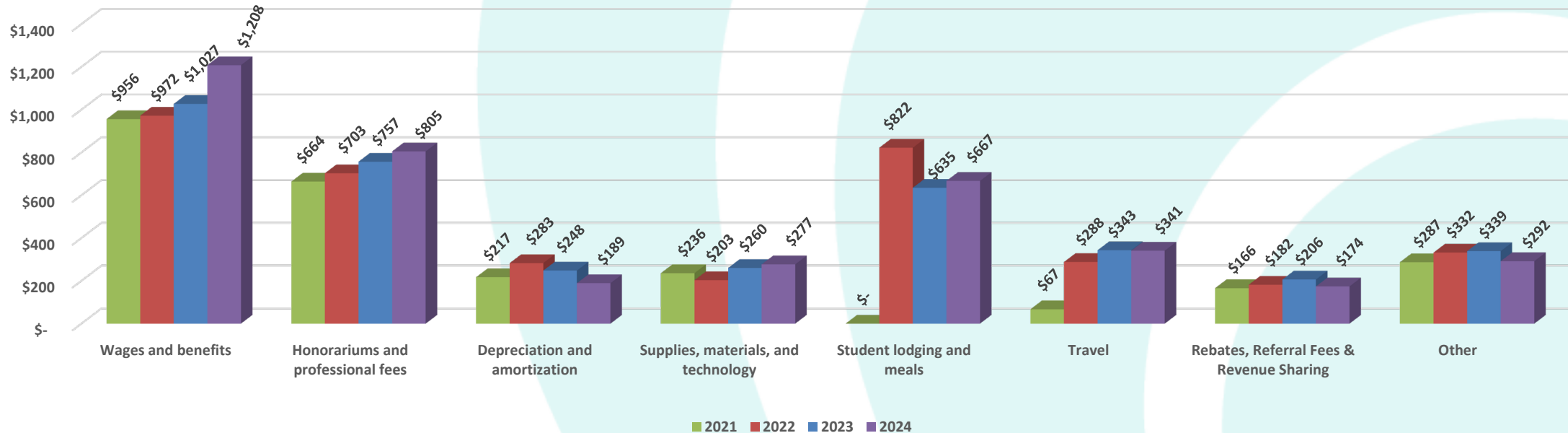
## Consolidated Expenses by Function (000's)





# Summary of financial information

## Consolidated Expenses by Nature (000's)





# **Today's not-for-profit environment**

# Areas across NFP with increased challenges, risks and/or opportunities



Staffing shortages  
and turnover



Cybersecurity, cyber  
crime and fraud



Investments in  
clean energy via  
Inflation Reduction  
Act tax credits



Innovative  
collaborations,  
mergers,  
partnerships



Managing credit  
losses under CECL  
accounting standard



Effective board  
governance

Innovative collaborations, mergers & partnerships

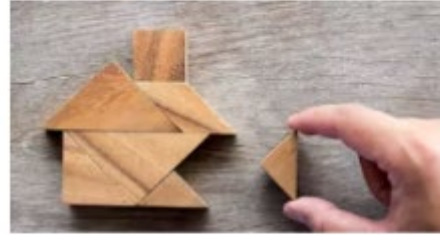
# Collaborations to advance your NFP

ARTICLE



**Building stronger together: M&A due diligence for NFPs**

ARTICLE



**Meeting the demand: bring in the reinforcements for grants, contributions and other revenues**

ARTICLE



**How working with other organizations can support your mission and expand the impact in your communities**

ARTICLE



**Strategic board involvement: Steps for effective not-for-profit board governance during a merger or acquisition**

ARTICLE



**It's not just about the numbers: The pivotal role of culture during mergers and acquisitions**

View the series on the  
[NFP Online Journal](#)

# The importance of providing fraud awareness training

Providing fraud awareness training to staff at all levels of an organization is a vital part of a comprehensive anti-fraud program. Based on a study\* conducted, results showed that training employees, managers, and executives about the risks and costs of fraud can help reduce fraud losses and ensure frauds are caught more quickly.



- ✓ Nonprofit organizations that provided fraud awareness training uncovered frauds more than 2.5X faster than organizations that did not.
- ✓ Organizations that did not provide fraud awareness training lost nearly 2X more.
- ✓ Tips are twice as likely to come from employees who received fraud awareness training as from employees who did not.



# Top 5 insights for not-for-profits

ARTICLE



**Vendor-risk management:  
Evolving a healthy vendor  
ecosystem**

ARTICLE



**NIST publishes major  
revision to Cybersecurity  
Framework (CSF): What  
organizations need to  
know**

ARTICLE



**What's keeping you up at  
night? Cybersecurity  
considerations for NFP  
leaders**

ARTICLE



**Enhancing cybersecurity  
through identity and  
access management**

ARTICLE



**Key cybersecurity trends  
from industry-leading  
reports**

**Explore more:  
[Cybersecurity](#)**

# Baker Tilly AI governance road map

1

Establish a cross disciplinary AI governance working group/committee

2

Identify current and potential AI use cases

3

Develop AI principles specific to your organization

4

Assess AI risks, identify current and needed risk management practices (e.g. strategy, controls)

5

Educate your stakeholders on AI principles and risk management practices

6

Monitor execution and implementation of risk management practices

7

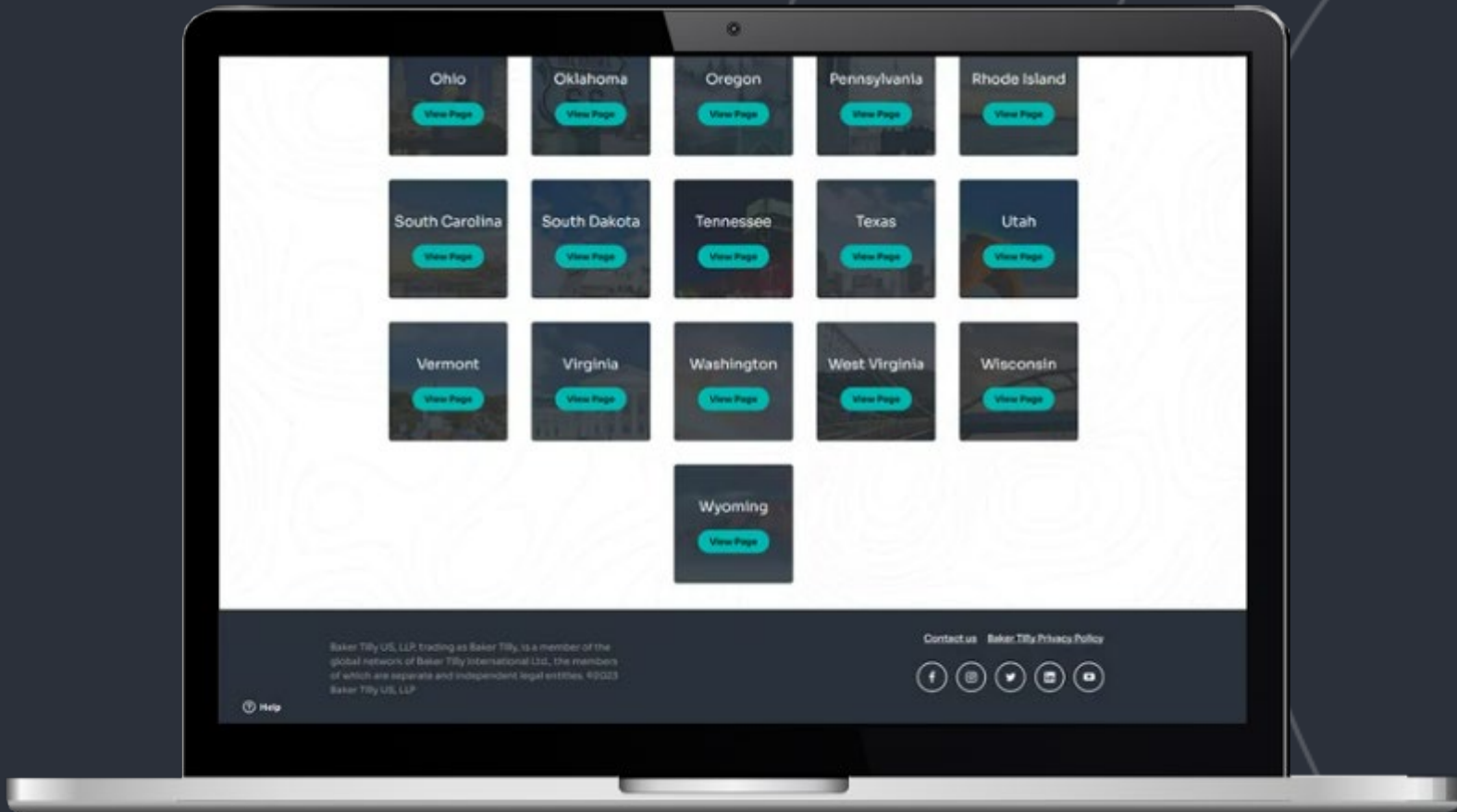
Conduct an audit of AI governance and risk management practices

8

Repeat road map steps, as needed



# Employer State Compliance Roadmap for remote and hybrid work environments



## Overview

The **Employer State Compliance Roadmap** is a subscription-based resource designed to provide access to each state's HR and payroll compliance requirements in one convenient location. For organizations with employees working in multiple states, the Roadmap can be an easy solution to a complex situation, providing insightful information critical to ensuring multistate compliance.

[Take the assessment](#)



# 2024 not-for-profit governance and fiscal workshop

Webinar recording is  
now available on  
[bakertilly.com](https://bakertilly.com)!

View Day 1 and Day 2  
recordings here:

[Not-for-profit  
governance and fiscal  
workshop 2024](#)



Topics include:

- Top challenges and opportunities for NFP organizations
- Panel discussion on mergers and acquisitions (M&A)
- M&A HR and tax considerations
- Cybersecurity
- Compliance
- Tax updates... and more!

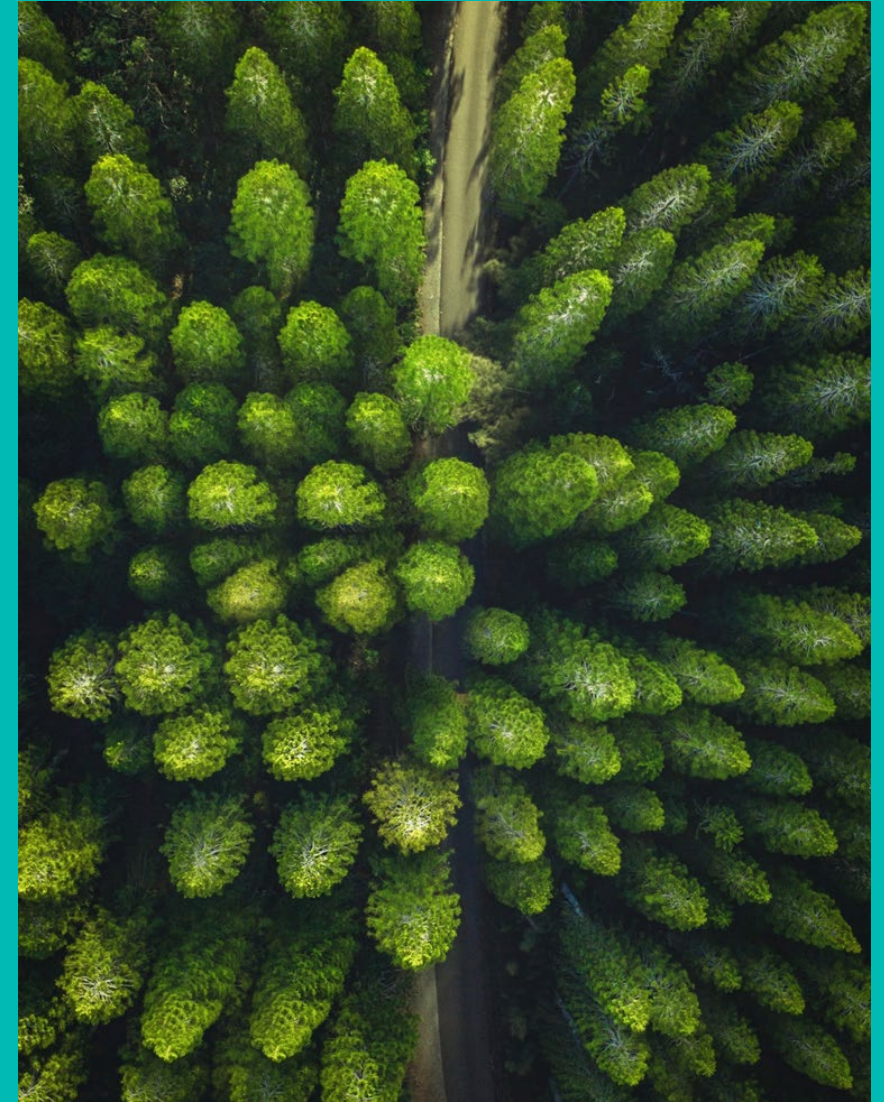
News you can use

## NFP Online Journal

Stay up-to-date on emerging issues and trending topics within the not-for-profit space: **NFP Online Journal**



Subscribe to our NFP mailing list for access to industry updates, events and resources: **SUBSCRIBE**



# 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



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