

AAMC BOG Meeting Finance Updates

October 20, 2021

AAMC BOG Meeting – Finance Updates

1. Q1 Finance updates (Jun 1 thru Sep 30)
2. Legal fee breakdown (through August billing & Sep billing)
3. Donations & Cash Position
4. Finance implications & recommendation from AAMC Finance Committee

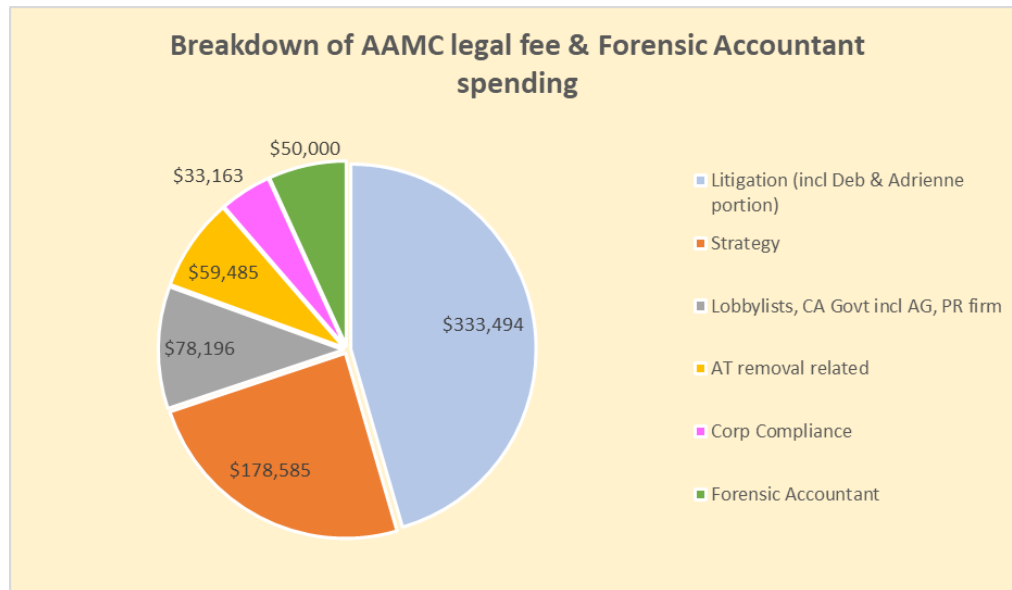
P&L through Sep 2021 (updated as of 11/9)

AAMC Financials July 1, 2021 - Sep 30, 2021

Donations	\$84,697	
Merch Sales	\$21,495	
ASR Committee	\$200	
Interest revenue from Line of Credit to Mills	\$18,529	
TOTAL REVENUE		\$124,922
Expense by Committees Total	(\$1,617)	
Operations Expense Total	(\$40,021)	
Personnel Expense Total	(\$6,963)	
TOTAL OPERATING EXPENSES (excl Legal Fee)		(\$48,601)
NET INCOME (excl Legal fee)		\$76,321
Legal Fee & Forensic Accountant Fee		(\$482,924)
NET INCOME (net of Legal fee)		(\$406,602)

- More than 65% of revenue comes from donations while merch sales from AAMC & FGS merchandise account for 23% of total revenue
- Pledges have not materialized to drive cash flow/revenue
- Operating expense includes spend on CRM & consultant
- Q1 Net Income exceeds Full year net income but not sufficient to cover YTD legal fee

AAMC Legal Fee & Forensic Accountant Spending (billing through August 2021)



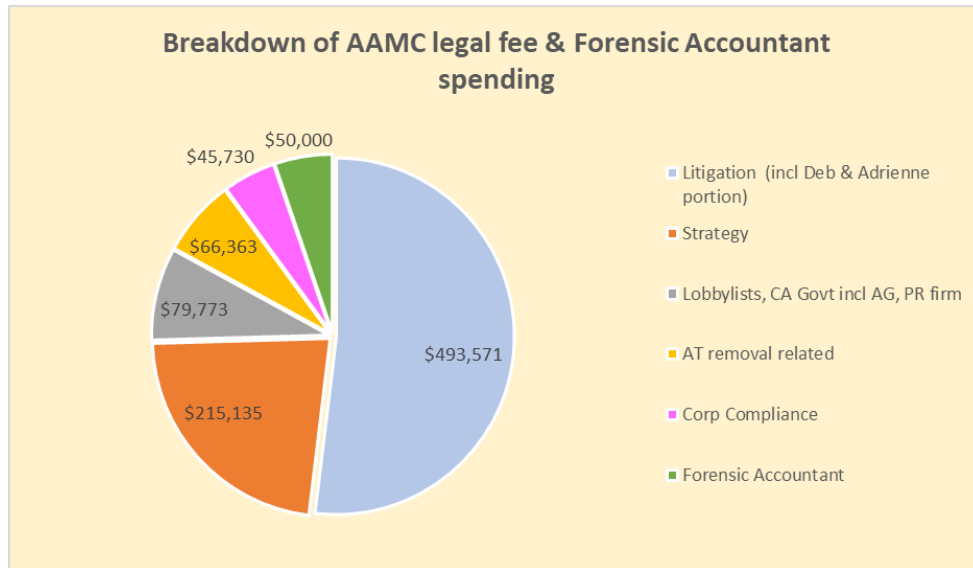
- Legal fee & Forensic Accountant through August billing: \$733K.
- Over 45% is spent on Litigation (including amount spent before the 2 ATs withdrew from lawsuit)
- Total amount spent related to the 2 ATs (prior to withdrawal of lawsuit & amount related to recall) estimated as ~\$225K or 33% of total spent
 - based on 50% of total billings prior to withdrawal from lawsuit (Apr to Jun billings): \$144K
 - 2/3 of compliance portion: \$22K
 - recall related charges: \$59K

	Litigation ¹ (incl Deb & Adrienne portion)	Strategy ²	Lobbyists, CA Govt incl AG, PR firm	AT removal related	Corp Compliance ³	Forensic Accountant	Grand Total thru August
Total	\$333,494	\$178,585	\$78,196	\$59,485	\$33,163	\$50,000	\$732,923
% of total	46%	24%	11%	8%	5%	7%	100%

Notes:

1. **Litigation** includes talking to all 4 plaintiffs, individually & collectively, writing declarations and motions. Also includes correspondence and conversations with college attorneys
2. **Strategy** includes talking to plaintiffs, committee, SaveMills Attorney via email or phone calls. Also includes any aspect to explore non-litigation including review of BOT materials and visiting BOG meetings
3. **Corp Compliance** (for removal and generally for bylaws)

AAMC Legal Fee & Forensic Accountant Spending (billing through Sep 2021) (updated to reflect hours)



- Legal fee & Forensic Accountant through Sep billing: \$950K.
- Over 50% is spent on Litigation (including amount spent before the 2 ATs withdrew from lawsuit).
- Litigation portion of Sep bill is ~\$160K and is mainly response to the cross complaint
- Total amount spent related to the 2 ATs (prior to withdrawal of lawsuit & amount related to recall) estimated as ~\$242K or 27% of total spent
 - based on 50% of total billings prior to withdrawal from lawsuit (Apr to Jun billings): \$144K
 - 2/3 of compliance portion: \$31K
 - recall related charges: \$66K

	Litigation (incl Deb & Adrienne portion)	Strategy	Lobbyists, CA Govt incl AG, PR firm	AT removal related	Corp Compliance	Forensic Accountant	Grand Total thr August
Total	\$493,571	\$215,135	\$79,773	\$66,363	\$45,730	\$50,000	\$950,572
%	52%	23%	8%	7%	5%	5%	100%
Estimated Hrs	425	185	69	57	39	43	819

Notes:

1. **Litigation** includes talking to all 4 plaintiffs, individually & collectively, writing declarations and motions. Also includes correspondence and conversations with college attorneys
2. **Strategy** includes talking to plaintiffs, committee, SaveMills Attorney via email or phone calls. Also includes any aspect to explore non-litigation including review of BOT materials and visiting BOG meetings
3. **Corp Compliance** (for removal and generally for bylaws)

High Level Donations and Cash positions (11/9/2021 updated)

	FY21	FY22 QTD (7/1/2021 to 9/30/2021)	MARCH 17 - Oct 6, 2021	Commentary
Total Donations	\$60,570	\$84,697	\$147,123	Originally estimated up to \$1M of donations would materialize at reunion
Merchandise Sales	\$35,650	\$21,495	\$47,036	
Total Donations + Merch Sales	\$96,220	\$106,193	\$194,159	
Interest Income from Line of Credit to College	\$50,324	\$18,529	\$31,942	
Total Cash In	\$146,544	\$124,722	\$226,101	
Total Operating Expense (excl one time fee & Cost of Goods Sold)	(\$44,187)	(\$20,046)	(\$48,954)	Opex is in line with budget after excluding one time spent
Merchandise -Cost of Goods Sold	(\$7,079)	(\$10,833)	(\$15,810)	
One-time fee (CRM & Consultants)		(\$17,722)	(\$17,722)	\$12K CRM Investments were approved by BOG in August
Total Cash Out (excl Legal Fee)	(\$51,266)	(\$48,601)	(\$82,485)	
Legal Fee Paid prior to 10/1/2021	(\$250,000)	(\$482,924)	(\$732,924)	\$250K in FY21 represents cash paid as legal fee , including retainer
Legal Fee Paid in Oct			(\$217,649)	
Total Legal Fee paid	(\$250,000)	(\$482,924)	(\$950,573)	
Implied Net Cash Position	(\$154,722)	(\$406,802)	(\$806,957)	

	Projection	
Investments Funds, Checking & Savings balance as of ~ 10/14/2021	\$599,987	Not include recalling the \$2M loan
Operating expense per budget - Oct to Jun	(\$60,000)	
Estimated Oct Legal Fee	(\$250,000)	
Potential opportunities from fundraising & merch sales	TBD	

Recommendation from Finance Committee:

1. Donations to split into 1) lawsuit 2) Infrastructure/general operations 3) unrestricted
2. Recall half of the Mills College Line of Credit (\$1M) at appropriate time
3. Set up budget for legal fee (\$0.5M) , mediation (\$0.4M) and infrastructure (\$0.1M) after we get \$1M LOC back from Mills

Appendix

Q1 (Jun to Sep) Revenue Summary

BOG Financials

July 1, 2021 - Sep 2021

	July 2021 - Sep 2021	FY22 Full Year Budget	Variance	% of Budget
REVENUE				
Donations	\$84,697			0.00%
Merchandise Sales (before sales tax)	\$21,495	\$13,173	-\$8,322	163.17%
Travel Committee	\$0	\$4,000	\$4,000	0.00%
ASR Committee	\$200		-\$200	0.00%
Interest Income from Line of Credit to Coll	\$18,529	\$54,995	\$36,466	33.69%
TOTAL REVENUE	\$124,922	\$72,168	\$31,943	173.10%

Q1 (Jun to Sep) Operating Expense Summary

	July 2021 - Sep 2021	FY22 Full Year Budget	Variance	% of Budget
EXPENSES				
Expenses by Committee				
Alumnae Student Relations	\$306	\$6,500	\$6,194	4.71%
Alumnae of Color*	\$0	\$4,300	\$4,300	0.00%
Lifelong Learning	\$0	\$1,000	\$1,000	0.00%
Alumnae Awards	\$1,311	\$1,000	-\$311	131.10%
Travel		\$1,000	\$1,000	0.00%
Communications/ Mkting/ Fundraising		\$4,300	\$4,300	0.00%
Branch Liaison		\$1,250	\$1,250	0.00%
RAH		\$200	\$200	0.00%
Volunteer Mgmt		\$1,000	\$1,000	0.00%
Hospitality		\$1,500	\$1,500	0.00%
Subtotal Expense by Committees	\$1,617	\$22,050	\$20,433	7.33%
Operations Expense				
Charges from Mills College				
BOG Discretionary Funds		\$5,000	\$5,000	0.00%
BOG Travel Expense		\$2,500	\$2,500	0.00%
Consultants Fees	\$6,934		-\$6,934	0.00%
CRM Expense	\$10,788		-\$10,788	0.00%
Office Supplies	\$46	\$750	\$704	6.16%
Event Supplies (Food, Flowers, Entertainment)	\$343	\$5,000	\$4,657	6.86%
Mailbox	\$140	\$150	\$10	93.33%
Printing	\$55	\$500	\$445	11.09%
Postage	\$6,209	\$350	-\$5,859	1774.00%
Merchandise Purchases	\$10,833		-\$10,833	0.00%
Telephone	\$478	\$1,350	\$872	35.38%
Insurance	\$250	\$3,250	\$3,000	7.69%
Credit Card Fees	\$1,415		-\$1,415	0.00%
Sales Tax Expense	\$1,664		-\$1,664	0.00%
Other Taxes & Fees	\$874	\$1,500	\$626	58.28%
Tax preparation and acctg consulting		\$2,000	\$2,000	0.00%
Subtotal Operations Expense	\$40,029	\$22,350	-\$17,679	179.10%
Personnel Expense				
Wages	\$6,963	\$30,000	\$23,038	23.21%
Payroll Deductions	\$0	\$4,499	\$4,499	0.00%
Subtotal Personnel Expense	\$6,963	\$34,499	\$27,537	20.18%
TOTAL EXPENSES	\$48,609	\$78,899	\$30,290	61.61%
NET INCOME	\$76,321	-\$6,731	\$62,296	-1133.91%

Appendix – FY21 (Fiscal year ending 6/30/2021)

FY21 (fiscal year ending 6/30/2021) P&L

AAMC Financials July 1, 2020 - Jun 30, 2021

Donations	\$60,570	
Merch Sales	\$35,650	
ASR Committee		
Interest revenue from Line of Credit to Mills	\$50,324	
TOTAL REVENUE		\$146,544
Expense by Committees Total	(\$2,816)	
Operations Expense Total	(\$29,807)	
Personnel Expense Total	(\$18,642)	
TOTAL OPERATING EXPENSES (excl Legal Fee)		(\$51,266)
NET INCOME (excl Legal fee)		\$95,278
Legal Fee & Forensic Accountant Fee		(\$250,000)
NET INCOME (net of Legal fee)		(\$154,722)

FY21 (fiscal year ending 6/30/2021) Revenue Summary

BOG Financials (FY21)

July 1, 2020 - Jun 30, 2021

	July 2020 - Jun 2021	FY21 Full Year Budget	Variance	% of Budget
REVENUE				
Donations	\$60,570			0.00%
Merchandise Sales (before sales tax)	\$35,650	\$13,173	-\$22,477	270.62%
Travel Committee		\$4,000	\$4,000	0.00%
ASR Committee			\$0	0.00%
Interest Income from Line of Credit to Coll	\$50,324	\$54,995	\$4,671	91.51%
TOTAL REVENUE	\$146,544	\$72,168	-\$13,806	203.06%

FY21 (fiscal year ending 6/30/2021) Operating Expense Summary

BOG Financials (FY21)

July 1, 2020 - Jun 30, 2021

	July 2020 - Jun 2021	FY21 Full Year Budget	Variance	% of Budget
EXPENSES				
Expenses by Committee				
Alumnae Student Relations	\$713	\$6,500	\$5,787	10.96%
Alumnae of Color*		\$4,300	\$4,300	0.00%
Lifelong Learning		\$1,000	\$1,000	0.00%
Alumnae Awards		\$1,000	\$1,000	0.00%
Travel		\$1,000	\$1,000	0.00%
Communications/ Mktg/ Fundraising	\$1,104	\$4,300	\$3,196	25.67%
Branch Liaison		\$1,250	\$1,250	0.00%
RAH	\$1,000	\$200	-\$800	500.00%
Volunteer Mgmt		\$1,000	\$1,000	0.00%
Hospitality		\$1,500	\$1,500	0.00%
Subtotal Expense by Committees	\$2,816	\$22,050	\$19,234	12.77%
Operations Expense				
Charges from Mills College	\$7,726		-\$7,726	0.00%
BOG Discretionary Funds	\$215	\$5,000	\$4,785	4.30%
BOG Travel Expense		\$2,500	\$2,500	0.00%
Consultants Fees			\$0	0.00%
CRM Expense			\$0	0.00%
Office Supplies	\$0	\$750	\$750	-0.04%
Event Supplies (Food, Flowers, Entertainment)	\$428	\$5,000	\$4,572	8.56%
Mailbox		\$150	\$150	0.00%
Printing	\$57	\$500	\$443	11.35%
Postage	\$204	\$350	\$146	58.29%
Merchandise Purchases	\$8,079			0.00%
Telephone	\$1,131	\$1,350	\$219	83.75%
Insurance	\$3,067	\$3,250	\$183	94.37%
Credit Card Fees	\$2,295			0.00%
Sales Tax Expense	\$1,293			0.00%
Other Taxes & Fees	\$1,929	\$1,500	-\$429	128.57%
Tax preparation and acctg consulting	\$3,385	\$2,000	-\$1,385	169.25%
Subtotal Operations Expense	\$29,807	\$22,350	\$4,209	133.37%
Personnel Expense				
Wages	\$18,642	\$30,000	\$11,358	62.14%
Payroll Deductions		\$4,499	\$4,499	0.00%
Subtotal Personnel Expense	\$18,642	\$34,499	\$15,857	54.04%
TOTAL EXPENSES	\$51,266	\$78,899	\$39,300	64.98%
NET INCOME excl Legal Fee	\$95,278	-\$6,731	\$25,494	-1415.56%
Legal Fee	\$250,000		-\$250,000	0.00%
NET INCOME net of Legal Fee	-\$154,722	-\$6,731	\$147,992	2298.74%

FY21 (fiscal year ending 6/30/2021) Preliminary Assets List

		Balance as of 6/30/2021
Wells Fargo	checking	\$89,477
Wells Fargo	savings	\$14,126
Wells Fargo	Total per statements	\$103,603
Morgan Stanley	Investments per statements	\$1,026,194
Line of Credit to Mills College		\$1,999,800