

**Donatello's Clothing – Board of Directors Meeting
January 25, 2014**

Attended: John Donatello, President and Sandra Jackson, Secretary
Minutes taken by: Sandra Jackson

The Donatello's Clothing Board Meeting was called to order at 4:10 pm and a quorum was established by John Donatello.

The minutes of the January 14, 2014 Donatello's Clothing Board of Directors meeting were reviewed. **A call for a motion by John Donatello to approve the minutes, Sandra Jackson made a motion to approve as presented, motion carried.**

Financial Operating Results – 12/31/13 actual results were reviewed and discussed.

Sandra Jackson presented the statement of condition reports and reviewed actual results to the budget as of December 31, 2013.

	<u>Actual</u>	<u>Budget</u>
• Total Gross Income	\$ 38,919K.	\$22,000K

Performance Ratios:

TARGET		12/31/13
1.5	CURRENT RATIO	5.92
0.6	QUICK RATIO	1.14
9.1	DEBT TO EQUITY	1.78
35.0%	GROSS PROFIT MARGIN	54.36%
3.0%	PRE-TAX MARGIN (Return on Investment)	2.58%
15.8%	SALES TO ASSETS	44.19%
4.5	RETURN ON ASSETS	.60
36.4	RETURN ON EQUITY	1.66

Sandra Jackson explained that the Current and Quick Ratio's continue to be strong. The Debt to Equity Ratio and Gross Profit margin has remained the same. Return on Assets and Equity both have shown improvement.

Gross profit is above target by \$ 16.9K which indicates the company is making progress and economic improvement is evident.

Operations Update

John Donatello discussed in detail, the need to purchase additional clothing racks. Included in the board reports are three separate proposals.

John Donatello made a call to motion to approve the proposal from Ricko's Manufacturing in the amount of \$ 1,250. Sandra Jackson seconded the motion.

At 4:28 pm John Donatello called for a motion to adjourn the Donatello's Clothing Board of Directors meeting, motion was seconded by Sandra Jackson.