

LEANS FOR

ANNUAL REPORT
2007



Mambo Foundation, Inc



1st July, 2006 - 30th June, 2007

The Year of Transformation

Mambo

2000 - 2005 Mambo open source CMS project owned and controlled by Miro International Pty Ltd.

August 2005 - Mambo Foundation, Inc is formed.
Transitional Board of Regents established, led by former Miro International Pty Ltd CEO, Mr Peter Lamont.

June 2006 - elections take place.

July 2006 - new, community-elected Board of Directors takes office.

“This year has been a year of transformation. The Mambo Foundation and the Mambo project became self-governing for the first time”.



What We Do

The Mambo Foundation is a non-profit corporation formed in August 2005 to serve as a supporting organization for the Mambo Open Source Project. The purpose of the Foundation is to provide support and protection for the development of the Mambo software system. We are modeled after similar ventures, such as the Eclipse Foundation and the GNOME Foundation.

Goals and objectives

The Foundation has the following goals:

- Provide clear, neutral, and sustainable ownership of code, trademarks, and domains.
- Establish an accountable and transparent decision-making structure for essential activities.
- Act as the voice of Mambo for official announcements, press releases, and other communications.
- Promote activities designed to help grow Mambo and the Mambo market.
- Solicit additional funding and participation.



Report from the Board of Directors

Henry Kissinger once asked Chinese Prime Minister Zhou Enlai (noted for his leading role in that nation's Communist Revolution) what he thought of the significance of the French Revolution of 1789. His reply? "It's too soon to tell."

As we reach the end of the first year of the Mambo Foundation being a community-led organisation, we ask ourselves, "how is the Mambo Foundation doing? Is it achieving its goals?" And the answer has to be, "it's too soon to tell".

Following the formation of the Mambo Foundation, Inc in August 2005, former Miro International Pty Ltd CEO, Peter Lamont, took the helm as the community prepared for self-governance.

In July, 2006, the first fully community controlled Board of Directors took office following their election by the membership.

Members of the Board consisted of:

Ric Shreves—President

Akarawuth Tamrareang—Vice President

Paulino Michelazzo—Trasurer

Alain Schmalz—Secretary

Marco Rossi—Ordinary Director

The Board of Directors held its first meeting on 25th August, 2006 and it quickly became apparent that the Board faced a number of challenges.

"The transition to a community-governed organisation brought challenges..."

Language difficulties, a lack of understanding of the roles and responsibilities, time zone differences, and a lack of structure and planning for meetings resulted in poor performance. As a first step towards addressing these issues, two Special Directors were appointed by the Board at the end of December.

Special Directors (from 23 December 2006)

Chad Auld—Project Leader

Lynne Pope



Report from the Board of Directors

Inherent Challenges:

Lack of common language

Different cultural expectations

Lack of understanding of Australian laws and regulations

No defined roles for Board members

Lessons Learned:

Prospective members of the Board must understand their roles and responsibilities before making a commitment to serve on the Board of Directors.

As a global community, language and cultural issues will always arise both within the project itself and within the membership of the Mambo Foundation.

Actions Taken:

A discussion draft of “job descriptions” for Board members was posted to the Mambo Forums when nominations opened for this year’s elections.

Other Challenges:

Working as a virtual team presented some difficulties. Chief among these was time differences that made reaching a quorum for meetings difficult. While email can be a useful tool, this resulted in too much information being held by too few people and lack of communication amongst Board members resulted in a lack of transparency and accountability to the Board as a whole. This had a flow-on effect to the membership and resulted in a grievance against the Board for lack of accountability.

These issues were compounded by the failure to distribute minutes of meetings to the Board for approval and an apparent computer hard drive problem that resulted in the loss of all records.

Lessons Learned:

All records and communications to the Board must be distributed to all Board members and stored securely for reference by future Directors.

Actions Taken:

Minutes and financial records were rebuilt from source documents.



Report from the Board of Directors

Overview of the Year 1 July 2006—30 June 2007

The Mambo project was moved off servers controlled by Mambo Communities Pty Ltd and became established on the <http://mambo-foundation.org> website.

New user peer support forums were launched at <http://forum.mambo-foundation.org/>
Forum numbers grew from just the Team to over 7,000 users during the year.

Mambo downloads were moved back to the Sourceforge project. The number of downloads has shown a steady increase and while they have not yet reached the numbers we were seeing in 2005, Mambo is still obtaining good download results. There are difficulties in calculating the exact number of downloads as Mambo is offered on a number of other websites apart from the Sourceforge project. We are reasonably confident that total downloads have now passed 7 million.

The Mambo 4.6 branch was released (this is currently at 4.6.2 with 4.6.3 and 4.7 under development). An updated Roadmap was published announcing our plans to end the 4.x branch of Mambo at 4.7. Mambo 4.7 is a milestone in Mambo development and marks the project's commitment to making Mambo an accessible and W3C validating CMS.

A maintenance release, Mambo 4.5.5 was distributed to allow users to keep using older 3rd party extensions.

Mambo 5.0 is currently being prototyped. With this version, Mambo will be developing with cakePHP as the framework and is positioning itself as a sound enterprise CMS solution.

The Mambo Steering Committee ("MSC") was restructured to improve efficiency and Chad Auld was appointed Project Leader. Mambo is fortunate to have Chad on the team. He has proven himself an excellent core development team leader and has transitioned into the Project Leader role very well.

A Code of Conduct was agreed by the Team. This was formally put into practise in March.

Work was commenced on strategic planning.

We saw a significant increase in the number of active Team members, primarily in the area of translations. The number of core development team members also increased.

The Foundation was successful in registering Mambo as a trademark in both Thailand and Australia. It has also received international registration under the Madrid Convention.



Financial Report

In the past year the Foundation's financial position worsened considerably. There were several factors that contributed to this result.

Firstly, the break away from the former official website at mambo-server.com was not well publicised. As a result, Mambo users became confused over which site was the official home of the Mambo project. For much of the year, there were no links or other information on the old forums to alert users to the change. Google AdWords income, which is the only reasonably steady income for the Foundation was consequently markedly reduced.

In the first half of the year, the Board was granting automatic waivers of membership fees to active members (those who participate on the Team). The Board was also granting free email accounts to all team members. This resulted in large increases in membership for a time, but there were only 12 paid members for the year. With the introduction of the Code of Conduct and removal of the large number of email accounts under the mambo-foundation.org domain, Team membership dropped off. We ended the year with 33 members of the Mambo Foundation, of whom only 12 had paid membership fees of US\$10.

Donations were considerably reduced and book royalties were substantially reduced from last year.

In analysing the financial position it became clear that the records for the end of last year were not accurate. Legal bills that were incurred in the last financial year were not accounted for. Due to an omission in passing the invoices onto the Treasurer or alerting the rest of the Board to their existence, these legal bills remain unpaid and are incurring interest charges as very overdue accounts.

Due to a number of errors and omissions, the current Board failed to set up signatories to the Foundation bank account. This has resulted in funds sitting in the account, untouched, but unable to be accessed. This situation will be remedied by the incoming Board once they take office.

The Income and Expenditure report and Balance Sheet are on the next pages.

Income and Expenditure

Mambo Foundation, Inc.

01/07/06 - 30/06/07

Financial Statements in AUD

Income

Donations	312.24	
Membership Fees	141.39	
Book Royalties	2,666.55	
Advertising	2,289.74	
Fundraising Receipts	0.00	
Sponsorship	8,483.57	
Bank Interest Received	1,130.41	
Other (specify)		
Donation Forum License	29.46	
Pre-Paid Membership Fees	11.78	
Total Income		<u><u>\$15,065.14</u></u>

Expenses

Advertising	0.00	
Bank Fees & Charges		
PayPal Fees	110.29	
Dues and Subscriptions	0.00	
Fundraising Costs	0.00	
Hosting Costs	8,483.57	
Insurance	0.00	
Interest	0.00	
Legal and Professional Fees	3,116.78	
Licenses and Fees	41.24	
Software Licenses	10.31	
Miscellaneous	0.00	
Office Expenses	0.00	
Travel	0.00	
GST Paid	110.00	
Total Expenses		<u><u>\$11,872.19</u></u>

Net Income (Loss) \$3,192.95

Balance Sheet Year Ended 30 June 2007

Mambo Foundation, Inc.
(Australian Dollars)

	2006	2007
Assets		
<u>Current Assets</u>		
Cash in bank	\$ 5,641	\$ 6,771
PayPal	1,318	934
Google AdWords	476	2,766
Other current assets	-	-
Total Current Assets	<u>\$ 7,435</u>	<u>\$ 10,470</u>
<u>Other Assets</u>		
Deposits	-	-
Prepaid expenses	-	31
Prepaid Membership Fees	-	12
Gain on Exchange Rate	-	102
Total Other Assets	<u>\$ -</u>	<u>\$ 144</u>
TOTAL Assets	<u>\$ 7,435</u>	<u>\$ 10,614</u>
Liabilities and Equity		
<u>Current Liabilities</u>		
Accounts payable	\$ 1,217	\$ 9,375
Interest payable	-	-
Taxes payable	-	-
Other current liabilities	-	-
Total Current Liabilities	<u>\$ 1,217</u>	<u>\$ 9,375</u>
Total Liabilities	<u>\$ 1,217</u>	<u>\$ 9,375</u>
Total Liabilities & Equity	<u>\$ 6,218</u>	<u>\$ 1,240</u>
Members Equity	<u>\$ 6,218</u>	<u>\$ 1,240</u>



Summary

The Mambo CMS project, under the leadership of Chad Auld, is performing very well.

The Mambo Foundation has a number of challenges facing it and has not performed as well as it could have done in this past year. However, difficulties were to be expected in this transition year and the lessons learned from it will ensure that the Foundation moves forward and builds on its experience.

Governing a large, distributed project is not easy. Getting to know what is required to manage the Foundation itself takes time. Wise and effective governance is a learned skill and it is unreasonable to expect a volunteer, community organisation to get it right first time. We didn't, but we have learned and strategies are already being put into place to ensure greater transparency and accountability from the Board of Directors.

Fundraising remains a challenge. Growing the membership base is a challenge. However, the Mambo community has always demonstrated its willingness to tackle challenges and overcome them.

This report will be considered at the Annual General Meeting on 25th August, 2007 GMT00:00

Mambo Foundation, Inc.
3/60 Langridge Street
Collingwood
Victoria 3066, Australia

Email: info@mambo-foundation.org

Web: <http://mambo-foundation.org>