



Summary report of the ANNUAL MEETING OF THE BOARD OF DIRECTORS for entreamigos, a 501(c)(3) non-profit organization, registered in California (ea US) held March 24–26, 2013 in San Pancho, Nayarit, Mexico

All Directors were present: Michele Gillett, Michael Moore, Nicole Swedlow, Robin Temple, Tom Leach, Bill Roberts. Board liaison, Kimberly Heseltine, recorded the minutes. The following officers were unanimously elected for the coming year: Michael Moore, Chairman; Tom Leach, Secretary/Treasurer and Nicole Swedlow, President.

Previous meeting minutes were approved. It was agreed that Board meetings by phone would be held in June and October of 2013, with the next meeting in San Pancho to be held in March 2014.

RECOGNITION

The Board expressed unanimous appreciation and recognition for the remarkable work of Nicole, Kim and the staff, noting their tremendous dedication and the ways in which entreamigos has become the primary community center for San Pancho. Bill and Tom were also appreciated for the series of community meetings they initiated.

CORPORATE AFFAIRS

The functions of the Board of Directors were reviewed. It was agreed that the primary responsibility of the Board is providing oversight for the best appropriate use of funds raised by non-profit donations to ea US. Oversight of the work of the affiliated Mexican company, **entreamigos MX** (ea MX), is appropriate only to the extent that it is relevant to shepherding those funds, including our support in assuring the sustainability of ea MX.

We spent considerable time reviewing the ea US corporate documents and approving revisions that better reflect current operations. Recommendations of a subcommittee tasked with going over these documents in detail were discussed and adopted. Systems and deadlines for posting annual reports (administrative and financial) were unanimously agreed upon.

ANNUAL REPORTS

The annual financial report was covered in detail. Specific modifications to enhance the clarity of future financial reports were requested and agreed upon. This includes 1) Creation of an annual target or under-best-conditions budget and 2) Separating several accounts that have been reported together, so we can get a finer assessment of each program's financials in the future. This is not easy in several cases, for example, workshop labor which supports multiple programs, such as retail sales, recycling, educational programs, building maintenance, etc. There is a need for balancing priorities, since overly detailed reporting has the potential to become as burdensome as to be counterproductive.



We discussed the need to find a way to better quantify the impact of volunteer labor, internship programs, *panchos* alternative currency, and in-kind donations. It was noted that these various forms of leverage allow for much greater impact and effectiveness than the very modest budgets could be expected to produce otherwise. At the same time, this makes it more difficult to accurately assess the financial impact of each program.

COMMUNITY PARTICIPATION

Concerns that were raised by participants at the community meetings were discussed and addressed, as noted here. It was also noted that we need to follow up on the financial commitments that were made at those meetings.

The Board formed a subcommittee to explore the best means for effectively soliciting participation from a broader Mexican demographic in the work and funding of ea MX, including revisiting the pros and cons of forming a Mexican non-profit. Several potential participants in this work, beyond the Board of Directors, were identified. The subcommittee was tasked with expanding its membership and coming up with an action plan within 3-4 months.

It was noted that ea MX is able to receive Mexican tax-free donations through an association with Punta de Mita Foundation.

The President was tasked with reaching out to create a Mexican **Consejo de Asesores** to help with planning. It was proposed for consideration that the participating members include the Mayor, heads of schools, head of the hospital, and major property owners. The possibility of an annual joint meeting between this group and the Board of ea US was discussed.

Corollary to this initiative is exploring ways that ea MX can better support coordination of the local business community—without necessarily being the lead on this project. As a first step, a list of business owners has been created. Creating a free Community Calendar was identified as a potentially good place to start.

Thanks to a solicitation by Ina, ea MX has received its first significant financial contribution from a Mexican company. Numerous and substantial in-kind donations have been received for some time.



OPERATIONS REPORT

A detailed written report on operations was provided by the President. Several hours were spent going over the various programs and new initiatives. A few examples include:

- Panchos alternative currency, functional uses and management issues
- Administration and impacts of the PET program (entreamigos is tasked with managing a government program to employ local seasonal labor in beautification projects)
- Version 5 of the community newsletter is coming out in a few weeks, put together by Glenda
- The *bodegas*—the long term right of ea MX to use this location is well-established. It is anticipated that pending government negotiations will solidify this further.
- Costco magazine (with the widest free distribution of any magazine in the world) is running a full page article on entreamigos in the international magazine

FUNDING

We discussed the Sustainers Circle and how to make fund-raising more effective. This is particularly important given that predictable funding commitments are critical to the financial health of the organization. Having to continually raise money outside of predictable commitments to donate is stressful, risky and inefficient and creates significant cash flow problems (with meeting payroll, for example). Key points:

- What is the most effective way to ask?
- Identifying extrinsic reasons that people donate
- The President was authorized to revise donor level amounts and titles
- We discussed different ideas for recognition, including the challenges of creating a donor display that really works, and how to include volunteering
- Kim is pursuing the creation of a formal donor plan
- Pros and cons of setting up scholarships for specific children
- After a considerable amount of outreach from staff and Kim, in particular, the company, Salesforce, has donated a copy of its CRM software. This should be a huge help in managing communication and the entreamigos database, especially for fundraising.
- The glossy annual report is expensive to print (US \$4 each) but well worth it as a tool for soliciting contributions from wealthier donors. The Board requested some minor revisions (for clarity).
- How do we better communicate the out-sized impact that entreamigos has on livability and entertainment, property values and security, community and culture for San Pancho?
- How can we appropriately communicate the problem of staff being substantially under-compensated (pay and benefits) and the ongoing risk we face of losing the best employees to more lucrative opportunities? Organizational success continues to be way too dependent on employee sacrifice. Inappropriate and unsustainable—this is a key issue.



Board members agreed to individually commit themselves to working on funding issues. Among the areas that they agreed to follow-up on are:

- Follow up calls to participants in the community meetings, scholarship donors and past sustainers
- Write up three compelling scholarship stories in consultation with Paulina
- Ask local businesspeople to write testimonials about entreamigos' positive impact on business and property values
- Exploring areas in which fee for services would be appropriate. Are we giving things away (like computer and internet use) we should be charging for? Explore practical issues with making this work.
- Further investigation of how to solicit grants without an employee trained and available to dedicate to this task

We discussed a current project to document the work of entreamigos. The organization is doing well across a very wide spectrum of educational, environmental and community initiatives. An ongoing challenge is being able to effectively communicate just how remarkable and diverse these programs are, with extraordinarily high impacts relative to the level of investment.

On behalf of the Board of Directors,

Michael Moore
Chairman of the Board

Special thanks to Kim Heseltine, Board Liaison