

**THE LAKE CHAPALA SOCIETY A. C.**  
**ANNUAL GENERAL MEETING**  
**Order of the Day**

1. Call to Order
2. Establishment of Quorum
3. Adoption of Agenda
4. Adoption of Minutes  
Annual General Meeting Minutes of the March 19, 2019 AGM
5. President's Report
6. Ratification of 2019 Financial Report
7. Receipt of the 2020 Budget Projections
8. Receive Report from External Financial Auditor for 2019  
& Ratify Appointment of External Auditor for 2020
9. Ratification of Membership Categories & Dues
10. Ratification of Reserve Fund Deposit
11. Election of Board Officers & Directors-at-Large
12. Granting Power of Attorney
13. LCS 2.0
  1. Major accomplishments 2019
  2. Priorities for LCS 2.0 in 2020-2021
13. Adjournment

**The Lake Chapala Society, A.C.  
Annual General Meeting, August 20, 2020  
Board Nominees**

Date of Election: August 20, 2020 (postponed from March 19, 2020)  
Time: 10:00 AM – Noon  
Online Meeting through ZOOM  
Advance registration

**Ratification:**

Vice President	Howard Feldstein
Director at Large	Larry Barnhardt
Director at Large	Antoinette Francis Brahm
Director at Large	Christy Carter Caldwell

**For Election:**

**Office**

**Candidate**

**President –**

President	Stephen Irvin Balfour
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**Secretary –**

Secretary	George William Radford
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**Director at Large – Vote for up to 6**

Director at Large	Richard Joseph Chase
Director at Large	Brian Thomas Dalziel
Director at Large	Yolanda Martinez Llamas
Director at Large	Michael Ross Searles
Director at Large	Elizabeth Villasenor Ramirez
Director at Large	__ Open _____

Nominations from the Floor: Email -  
[executivedirector@lakechapalasociety.com](mailto:executivedirector@lakechapalasociety.com)  
Attn: Nancy Creevan, Chair Nominating Committee

# **The Lake Chapala Society Annual General Meeting 2020**

## **Ballot of Candidates**

### **President -**

#### **Stephen Irvin Balfour**

The first part of Steve's career was spent working in the hotel and hospitality industry. He continued in the special events industry in the Hollywood, Atlanta and Boston markets. Since his earliest years Steve has been a part of the nonprofit sector with extensive experience in the fundraising area.

Steve has served with the Alzheimer's Association and the American Cancer Society in regional capacities, winning national awards for his efforts. With nearly 40 years exposure to the nonprofit sector, he has served a variety of roles for small grassroot nonprofits up to some of the largest national organizations. He has served as Board Member, Executive Director, Development Director, Vice President for Income Development and various other roles through the years. He has been most fortunate to have his success tied to the success of thousands of volunteers over the years who he has led in reaching towards each organization's mission and vision. As a Board Member, Steve produced a concert in Mexico City in 1994 for a children's hospice with Marc Anthony and Celia Cruz.

Steve bought a home Lakeside 3 years ago and looks forward to giving back out of appreciation for the support he has received from volunteers over his career.

For these recent years Steve has served the Lake Chapala Society as a major donor, LCS 2.0 long range plan task force member, board member and Executive Director for the Lake Chapala Society.

### **Vice President –**

#### **Howard Feldstein (Ratify)**

Howard has been active in the Lake Chapala community since he arrived here in 2004 from Denver, Colorado. Early in 2009 he completed a

three-year term as Chair of Democrats Abroad Mexico, an organization that helps American expatriates remain involved in their country's electoral process. In addition, Howard served as LCS president from 2009 to 2014 and worked on the rewriting and adoption of its current constitution. He has worked with the Lakeside Little Theater and Naked Stage as an actor, director, stage manager and a number of other support activities.

Prior to moving to Mexico, he was a small business owner in Denver and was involved in a number of community projects including FasTracks, Denver's Transit Expansion program and has been a long-time advocate.

Howard returned to Lakeside about 2 years ago after spending a "sabbatical" year fulfilling a longtime dream of sailing America's Great Loop.

### **Secretary -**

#### **George William Radford**

With forty-year career in Information Technology (IT), his skills include business requirements definition, systems design, general and project management. More specifically strategic, tactical and operational business and IT planning, business process analysis, report writing, presentations, IT requirements analysis and definition, project planning and control.

Education - BA, York University, Toronto, Computer Science.

#### **Relevant work experience**

Toronto Public Library – Project Manager – 2 years

Directed consultants, vendors and Library staff on projects to: replace an existing email system with cloud-based MS Exchange for 2,400 staff manage the installation of a gigabit fiber optic network to each of 99 Library locations.

TELUS Mobility (Telecom) – Projects Manager, Business Architect – 10 years

Responsible for the definition of IT requirements for the division servicing business and government wireless clients. Defined tactical IT plans to support the division's strategic goals. Managed multiple projects in the \$3 to 5 million

range.

Ontario Provincial Government – 11 years  
Office of the Premier and Cabinet Office.  
Managed all IT services including systems  
development, call center and computer  
operations. Ministry of Government Services.  
Managed IT services provided to the Real Estate  
division (account management role). Acting  
director of the IT Branch.  
Management Board Secretariat  
Participated in the creation of government-wide  
policy for the management of IT in the Ontario  
Government.

### **Directors at Large –**

#### **Larry Barnhardt (Ratify)**

Larry Barnhardt spent 40 years dedicated to making a difference in the lives of students through his work as an instructor, executive director, college president and university dean, all in the area of post-secondary technical education. He holds a doctorate in community college administration with minors in psychology and sociology. Since retiring in 2007, he and his wife Glorine split their time between Lakeside and a RV touring the great roads of United States and Canada. They have traveled extensively through 20 countries on five continents. Despite their travels, they have not missed a single birthday of their five grandchildren. His joys include spending time with family and friends; Tai Chi; fitness; mindfulness; writing, traveling and volunteering. In 2019, Larry chaired the LCS' Master Redevelopment Planning Taskforce that led to the Comprehensive Long-Range Plan, known as LCS 2.0. He facilitated LCS' Board Retreat and work sessions to establish annual priorities and to begin to shift the organization to a more collaborative culture.

#### **Antoinette Francis Brahm (Ratify)**

Antoinette Brahm, President of Clean Air International. Clean Air International is a Mexican sister company to Clean Air America a manufacturer of industrial air filtration equipment for factories such as dust collectors and air purification equipment. Among its clients are

Fortune 500 companies such as BMW and Johnson Controls Automotive division who gave the very first contract 24 years ago.

#### **Christy Carter Caldwell (Ratify)**

Christy Caldwell attended Ohio University with a degree in Speech and Theater.

#### **Background:**

1970-1980 - Lived ten years on a private resort island in St. Vincent & The Grenadines. (Palm Island Resort). Married the owner of the island's son (John Caldwell) in 1971. Owned a SCUBA shop and a boutique where I designed and made clothing. I started the first nonprofit day care center on a neighboring island and it is still operating today. Counseled local women on birth control and taught them to sew. Had both my sons there.

1980-1989 - Lived in North Central Florida town of Inverness (owned 2 businesses and had my own interior design studio). I also was a Florida certified Foster Parent (mainly teenagers) from 1987 to 1989. Lived in the Orlando Florida area and worked as an interior designer. Married a Jewish dentist and sang in the choir and also was the assistant cantor in the synagogue. Also acted and sang in community theater.

2009 - I went back to school to become a certified ESL (English as a Second Language teacher) I taught from 2009 to 2019.

2010-2011 - Lived in Buenos Aires, Argentina for 2 years.

2012- 2018 - Lived in both the east and west coasts of Florida. In 2012 I met and married an Argentine singer (cousin of Andrea Bocelli) and we formed Duo Romantico and performed "popera" and Broadway stage shows in Florida, New York, New Jersey and Europe.

2019 - Retired from teaching in April of 2019 and moved to Ajijic in May of 2019. I am a book editor and contributed my life story to an anthology of women's stories from around the world, *A Mile In Our Shoes: Personal Stories of Women's Journeys*.

#### **Richard Joseph Chase**

Relocated from Vancouver, BC with my wife Pat in 2013 and we have owned our home in Las Fuentes since 2014. We have six children,

located all across Canada with our 12 grandchildren. Two dogs and two cats round out the profile.

Formal Education: B.Sc. Civil Engineer, U of Manitoba and MBA from Ivey, London Ontario.

My 40+ year business career consists of leadership positions (President, VP, GM, Director, etc.) in both publically traded corporations and smaller private companies in a variety of business sectors including petroleum, forestry, mining, retail, distribution, environmental and manufacturing. Scope of involvement covers both domestic and international relationships in operating and financial roles. Operated our own business services contracting company prior to retirement.

I am involved in several local A.C.s and charities in various capacities.

#### **Brian Thomas Dalziel**

Brian came to live in Mexico following a long business career in the United States. He was raised in Oregon and studied forestry at Oregon State University and later studied financial management at New York University. He worked many years for International Paper Company in the areas of marketing management, customer service, budgeting, IT systems applications, and product development. Following retirement he operated a small family business in Portland, Oregon. Prior to arriving in Mexico he helped manage a cattle ranch in Texarkana, Arkansas.

#### Education:

Oregon State University. B.S. Forest Products Management.

New York University. Graduate studies, finance and business administration.

#### Background:

International Paper Company. 33-year career in management & business administration.

Metal Supermarkets, Inc. A small business venture in steel and metal supply.

Turkey Creek Company. Ranching, farming, and timber management.

#### Skills:

Business experience; financial analysis; budgeting; customer service; market research;

organizing; IT systems development; problem solving; individual contributor.

#### Personal:

Brian has been a lifelong bachelor and has family members living in Oregon and California in the U.S.A

#### **Yolanda Martinez Llamas**

Formacion Academia

Universidad Richard M Daley College  
Chicago, Illinois

Roma Beauty School, Chicago, Illinois  
Universidad Regional Loyola Chapala

#### Habilidades

- Amplio historial de liderazgo
- Emprendedora
- Excelente manejo de tiempo
- Trabajo en equipo
- Excelente motivación personal
- Excelente manejo del Inglés, oral y escrito
- Buen manejo de relaciones publicas
- Buen manejo de la computadora
- Primeros Auxilios Basicos

#### Experiencia

Amnistía EUA 1986, Chicago, Illinois

Mujeres Latinas en Acción, Chicago, Illinois

Presidenta Voluntariado, DIF Problemas Intrafamiliares, Chapala, Jalisco

Consejera, Cámara de Comercio Ribera de Chapala, Chapala, Jalisco,

Presidenta, Cámara de Comercio Ribera de Chapala, Chapala, Jalisco

Consejera, Cruz Roja Mexicana, Chapala, Jalisco

Presidenta, Cruz Roja Mexicana, Chapala, Jalisco

Propietaria, Estética Yoly's Unisex, Ajijic, Jalisco

#### **Michael Ross Searles**

Graduated from Georgetown University with an AB in Economics.

General Electric --- various positions from order entry to advertising to sales.

Graduated from George Washington University with an MBA in Accounting.

Peat, Marwick, Mitchell in San Antonio, TX and obtained CPA.

South Texas Drilling and Exploration --- CFO.

Took company public and listed on American Stock Exchange.

Pepsi Cola Bottling Group --- Area Controller, Eastern Division Controller, Director of Management Systems Development and Eastern & Western Division Controller. Area Franchisee for Mail Boxes Etc. and The UPS Store. Opened first Mail Boxes Etc. in Boston in 1986 and obtained Area Franchise rights to Suffolk County and the town of Brookline in Massachusetts. Merged areas with my two partners in 1992 and we eventually acquired all of the Area Franchise rights for the state of Maine, Southern New Hampshire, the state of Massachusetts and the state of Rhode Island. When I sold my interest to my partner we were responsible for supporting 140 franchisees in our area.

Retired and relocated to Ajijic, Jalisco, Mexico. Joined the Audit & Advisory Committee of LCS in August 2012 and led the 2012 audit of LCS. Elected Treasurer of LCS in 2013. Served as Treasurer of LCS.

### **Elizabeth Villaseñor Ramírez**

Elizabeth is from Colima city and has lived in different cities and countries because of her job or studies. She decided to move to Ajijic in 2017 after being in some LCS's Saturday activities and being a board member at Programa Pro Niños Incapacitados del Lago AC in Ajijic. She also has participated in different community activities around the lake.

#### Education:

Investment Advisor Certified by the AMIB (The Mexican Association of Securities Intermediaries).

Computer Systems Engineer - Instituto Tecnológico de Colima. 1992-1996

English as a Second Language - Philadelphia, PA. 1997-1998

#### Background

Lately working at Bx+ Banco (Go for more Bank) attending the International Transaction Banking position where she specializes in the national and international corporations as well as Expat communities.

From 2015 to 2020 Elizabeth worked at Intercam Banco S.A. as Business Director, and from 2012 to 2015 she had the same position but for Intercam Casa de Bolsa S.A. de C.V. in Colima. In this financial group she mainly drove year-

over-year business growth while leading operations, strategic vision, new opportunity business and long-range planning as well as assisting with marketing strategy creation and advertising initiatives to better promote to the public.

From July 2010 to Feb. 2012 she worked at Ixe Banco, S.A. (Now Banorte Bank) Zapopan having the International Transaction Banking position in Guadalajara, Jal.

From Oct. 2006 to July 2010 she was the Sales Director at Phytosan, S.A. DE C.V. in Zapopan, Jal.

She's worked for different Companies such as: Brun Produce S.A. in Villa de Álvarez, Colima; Holcim Apasco S.A. de C.V. Tecomán, Colima; Aerocalifornia (airline) in La Paz B.C.S.; English Club in Colima.

#### Skills

Accomplished and creative Director with 15 years of experience and proven ability to re-energize and restructure organizations, develop strategic initiatives and capture emerging business opportunities.

Results-oriented, decisive leader adept at forging lucrative relationships with key partners, vendors and clients. Recognized for turning around struggling company operations to achieve sustained growth.

Customer-oriented meticulous leader and strategic planner focused on increasing sales and promotion. Adaptive and deadline-oriented with capacity to execute and complete multiple projects in high-stress environments.

## LAKE CHAPALA SOCIETY- 2020 APPROVED BUDGET

<b>INCOME</b>		<b>EXPENSES</b>	
Membership	\$ 2,119,000	Salaries	\$2,753,600
Donations	\$ 811,000	Benefits	\$807,800
Skin Cancer donations	\$ 35,000	Other Taxes	\$160,000
Conecciones- Monthly Magazine	\$ 406,000	Marketing	\$99,000
Library	\$ 100,000	Professional Development	\$8,000
Video Operation	\$ 44,000	Legal	\$37,000
Medical	\$ 10,000	Bank & Paypal Fees	\$41,000
Spanish	\$ 645,000	2% Jalisco Taxes	\$59,000
Cultural programs	\$ 738,000	Audit/Accounting	\$170,000
Admin	\$ 23,500	Office Supplies	\$67,000
Mudlarks Pottery	\$ 254,400	Equipment under \$10K	\$30,000
Other Programs	\$ 5,000	Telephone	\$28,000
Children's Art	\$ 40,000	Technology costs	\$150,000
WEC Classes	\$ -	Equip repair/services	\$9,000
ESL Books	\$ 100,000	Drinking water	\$6,000
Facilities Use	\$ 20,000	Printing	\$6,000
Cafe Operations	\$ 48,000	Reserve Fund	\$100,000
Investment Income	\$ 365,000	Fund Development	\$60,000
Fundraising- WEC	\$ 20,000	Board Expenses	\$19,000
Bus Trips	\$ 280,000	Depreciation	\$121,000
Fundraising- Other	\$ 580,000	Electricity	\$90,500
Directory	\$ 289,500	Building Supplies/Repairs	\$185,000
		Garden/Pond Supplies/Repairs	\$16,000
		Janitorial Supplies	\$52,000
		Gas	\$1,500
		Property Taxes	\$20,000
		Water Rates	\$6,700
		Trash Removal & Septic	\$4,000
		Directory	\$160,000
		Programs	\$12,000
		ESL	\$110,000
		Spanish	\$283,000
		Children's Art	\$30,000
		Conecciones- Monthly Magazine	\$406,000
		Library	\$12,000
		Medical	\$11,500
		Video Operation	\$23,000
		Cultural Programs	\$153,800
		Mudlarks Pottery	\$165,000
		Fund-raising costs	\$460,000
		<b>TOTAL EXPENSES</b>	<b>\$6,933,400</b>
<b>TOTAL INCOME</b>	<b><u>\$ 6,933,400</u></b>		
Net Operating Surplus (Deficit)	\$ -		
Restricted Funds- Paid		Released from restriction	
Student Aid GG Legacy/Kvalik Paid	\$ 305,000	Student Aid- GG Legacy	\$305,000
Student Aid J.Gibson Paid	\$ 100,000	Student Aid- J. Gibson	\$100,000
Gillespie- Library Paid	\$ 7,000	Library- Gillespie	\$7,000
Total restricted funds paid	<b><u>\$ 412,000</u></b>	Total Released	<b><u>\$412,000</u></b>



Salles Sainz

**Grant Thornton**

Financial statements and Independent auditor's report

The Lake Chapala Society, A.C.

December 31, 2019 and 2018



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## Independent auditor's report

To the members of the Association of

The Lake Chapala Society, A.C.:

### **Opinion**

We have audited the financial statements of The Lake Chapala Society, A.C. (the Association), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of activities, and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Lake Chapala Society, A.C., as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards (*NIF for its acronym in Spanish*).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report, and the following 'Exhibit'. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mexico in accordance with the Instituto Mexicano de Contadores Públicos A.C.'s Code of Professional Ethics (IMCP Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA and IMCP Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NIF, and for such internal control as of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Association's ability to continue as a going concern and using the going concern basis of accounting, or otherwise, making the appropriate disclosures.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of The Lake Chapala Society, A.C. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SALLES, SAINZ – GRANT THORNTON, S.C.



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C.P.C. Alejandro O. Juarez Becerra  
Partner

February 28, 2020  
Guadalajara, Jalisco, México

## Exhibit of the Independent Auditor's Report

### **Additional description of our responsibilities on the audit of the financial statements**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management of the Association.
- Conclude on the appropriateness of Management of the Association's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management of the Association regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Statements of financial position

As of December 31, 2019 and 2018


(Stated in Mexican Pesos)

	Notes	2019			2018
		Unrestricted	Temporarily restricted	Total	Total
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents	5	\$ 1,262,955	\$ 5,536,499	\$ 6,799,454	\$ 7,606,231
Donation receivable		15,952	-	15,952	51,448
Total current assets		<u>1,278,907</u>	<u>5,536,499</u>	<u>6,815,406</u>	<u>7,657,679</u>
<b>Non-current</b>					
Properties and equipment, net	6	19,436,314	-	19,436,314	19,557,250
<b>Total assets</b>		<u>\$ 20,715,221</u>	<u>\$ 5,536,499</u>	<u>\$ 26,251,720</u>	<u>\$ 27,214,929</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	7	\$ 472,044	\$ -	\$ 472,044	\$ 341,382
Revenue from memberships to render	8	65,588	-	65,588	206,557
Total current liabilities		<u>537,632</u>	<u>-</u>	<u>537,632</u>	<u>547,939</u>
<b>Long-term liabilities</b>					
Employee benefits	9	245,629	-	245,629	281,600
Revenue from memberships to render	8	-	-	-	191,008
Total long-term liabilities		<u>245,629</u>	<u>-</u>	<u>245,629</u>	<u>472,608</u>
<b>Total liabilities</b>		<u>783,261</u>	<u>-</u>	<u>783,261</u>	<u>1,020,547</u>
<b>PATRIMONY</b>					
Accumulated surplus	10	19,931,960	-	19,931,960	20,354,333
Accumulated donations		-	4,686,499	4,686,499	5,090,049
Reserve fund		-	850,000	850,000	750,000
<b>Total patrimony</b>		<u>19,931,960</u>	<u>5,536,499</u>	<u>25,468,459</u>	<u>26,194,382</u>
<b>Total liabilities and patrimony</b>		<u>\$ 20,715,221</u>	<u>\$ 5,536,499</u>	<u>\$ 26,251,720</u>	<u>\$ 27,214,929</u>

The accompanying notes are an integral part of these statements of financial position.



Carole Jeanne Wolff  
President



Andrew Timothy Boardman  
Treasurer

Statements of activities

For the years ended December 31, 2019 and 2018

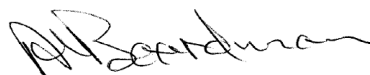
(Stated in Mexican Pesos)

	2019			2018
	Unrestricted	Temporarily restricted	Total	Total
<b>Revenue:</b>				
Memberships	\$ 2,490,619	\$ -	\$ 2,490,619	\$ 1,657,439
Donations in cash	1,036,324	14,300	1,050,624	1,963,464
Sales of articles	862,197	-	862,197	773,793
Other income	1,750,715	-	1,750,715	1,039,822
<b>Total revenue</b>	<b>6,139,855</b>	<b>14,300</b>	<b>6,154,155</b>	<b>5,434,518</b>
<b>Operating expenses:</b>				
Payroll expenses	3,734,328	-	3,734,328	2,828,620
Administrative expenses	652,170	-	652,170	561,386
Services expenses	1,538,738	94,850	1,633,588	890,476
Student aid	-	323,000	323,000	190,000
Maintenance expenses	645,890	-	645,890	335,537
Professional services	178,482	-	178,482	168,414
Depreciation	120,936	-	120,936	120,936
Federal zone fees	64,141	-	64,141	46,617
<b>Total operating expenses</b>	<b>6,934,685</b>	<b>417,850</b>	<b>7,352,535</b>	<b>5,141,986</b>
<b>Comprehensive result of financing:</b>				
Interest income	454,290	-	454,290	457,916
Foreign exchange gain (loss), net	18,167	-	18,167	(147,719)
<b>Total comprehensive result of financing</b>	<b>472,457</b>	<b>-</b>	<b>472,457</b>	<b>310,197</b>
<b>(Deficit) surplus for the year</b>	<b>\$ (322,373)</b>	<b>\$ (403,550)</b>	<b>\$ (725,923)</b>	<b>\$ 602,729</b>
<b>Changes in patrimony-</b>				
	Unrestricted	Temporarily restricted Donations	Reserve Fund	Total
<b>Balances as of December 31, 2018</b>	\$ 20,354,333	\$ 5,090,049	\$ 750,000	\$ 26,194,382
Deficit for the year	(322,373)	(403,550)	-	(725,923)
Increase to the reserve fund	(100,000)	-	100,000	-
<b>Balances as of December 31, 2019</b>	<b>\$ 19,931,960</b>	<b>\$ 4,686,499</b>	<b>\$ 850,000</b>	<b>\$ 25,468,459</b>

The accompanying notes are an integral part of these statements.



Carole Jeanne Wolff  
President



Andrew Timothy Boardman  
Treasurer

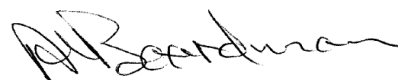
**Statements of cash flows**  
**For the years ended December 31, 2019 and 2018**  
 (Stated in Mexican Pesos)

	<u>2019</u>	<u>2018</u>
<b>OPERATION:</b>		
(Deficit) surplus for the year	\$ (725,923)	\$ 602,729
Items from investment activities:		
Depreciation	120,936	120,936
Employee benefits provision	(35,971)	49,803
Interest income	(454,290)	(457,916)
Items from financing activities:		
Temporarily restricted patrimony applied	-	(542,813)
Exchange loss from loan payable	-	(14,398)
	<u>(1,095,248)</u>	<u>(241,659)</u>
Donation receivable	35,496	(9,197)
Accounts payable and accrued liabilities	130,662	172,552
Revenue from memberships to render	(331,977)	397,565
Net cash flows from operating activities	<u>(1,261,067)</u>	<u>560,920</u>
<b>INVESTMENT:</b>		
Acquisition of office equipment	-	(28,746)
Interest gained	454,290	457,916
Net cash flows used in investment activities	<u>454,290</u>	<u>429,170</u>
<b>FINANCING:</b>		
Loan paid	-	(397,279)
Net cash flows used in financing activities	<u>-</u>	<u>(397,279)</u>
(Decrease) increase in cash and cash equivalents	(806,777)	351,152
Cash and cash equivalents, beginning of year	7,606,231	7,255,079
Cash and cash equivalents, end of year	<u>\$ 6,799,454</u>	<u>\$ 7,606,231</u>

The accompanying notes are an integral part of these statements.



**Carole Jeanne Wolff**  
 President



**Andrew Timothy Boardman**  
 Treasurer

# Notes to the financial statements

## December 31, 2019 and 2018

(Amounts stated in Mexican pesos)

### 1. NATURE OF OPERATIONS

The corporate purpose of The Lake Chapala Society, A.C. (the "Association" or "LCS") is to advocate for an improvement of the standard of living in the community, promote the development of artistic and cultural activities, and facilitate regular meetings to promote friendship and camaraderie among its members and promulgate social activities.

LCS is a Mexican Nonprofit Association that was incorporated on December 5, 1979.

The Association has its head office at Calle 16 de Septiembre #16A in Ajijic, Jalisco, México.

In October 2019, LCS closed the Thrift Shop, ¡QUÉ GANGA!. The Thrift Shop used to accept donations of clothing & merchandise and used to resell these items to the public.

### 2. GOING CONCERN

The accompanying financial statements have been prepared in conformity with Mexican Financial Reporting Standards (NIF), which consider the Association's ability to continue as a going concern.

### 3. APPROVAL AND BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with the Mexican Financial Reporting Standards (NIF *for its Acronym in Spanish*) issued by the Mexican Board of Financial Reporting Standards (CINIF *for its Acronym in Spanish*).

The accompanying financial statements and their notes were authorized to be issued by Ms. Carole Jeanne Wolff (President) and Mr. Andrew Timothy Boardman (Treasurer) on February 28, 2020. Consequently, they do not reflect events beyond that date.

The accompanying financial statements will be submitted for approval at the Association's Annual General Meeting (AAGM) to be held on March 19, 2020.



#### **4. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies that have been used for the preparation of these financial statements are summarized below:

##### **a. Foreign currency translation**

###### **Functional and presentation currency**

The financial statements are presented in the currency “peso”, which is also the functional currency of the Association.

The functional currency is the one in which the Association primarily generates and uses its cash flows corresponding to its sales, costs and expenses, as well as the financing obtained and other transactions.

###### **Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction dates).

##### **b. Non profit entity**

The Association is a nonprofit entity and is subject to NIF (the acronym for Mexican Financial reporting standards) applicable for nonprofit entities.

##### **c. Statements of activities**

The statements of activities presenting costs and expenses are appropriately classified as agreed upon with the Association.

##### **d. Statements of cash flows**

The Association has decided to present the statements of cash flows using the indirect method, which consist of presenting the surplus or (deficit) of income less expenses of the year first, and subsequently the changes in working capital and, finally, financing activities.

##### **e. Impact of inflation**

The Association operates in a non-inflationary environment, as defined under Mexican Financial Reporting Standards, since accumulated inflation for the three years prior to the date of the financial statements is lower than 26%.

Annual inflation in 2018, 2017, and 2016 was 4.8300%, 6.7730% and 3.3603%, respectively; therefore, accumulated inflation for the prior three year period was 15.60 %.

The financial statements as of December 31, 2019 and 2018, are prepared under historical cost basis; therefore, they do not recognize the effects of inflation on the financial information up to December 31, 2007. Such effects are deemed not being material to the financial statements taken as a whole.

**f. Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand and bank deposits in checking accounts and highly liquid investments that are easily convertible into cash, and not subject to material risk of changes in value.

**g. Investments in securities**

Investments in securities are recorded at market value.

The Association has temporarily restricted investments with a defined objective corresponding to donations received for specific purposes such as, student aid and buying books for the library of the Association. Likewise, the Association has an investment corresponding to a reserve fund established in the Constitution of the Association and intended for emergency repairs, payment of severance and other uses at the discretion of the membership that are determined during the Annual General Meeting of the members of the Association.

The Association has decided not to invest in financial instruments of risk; all investments are non-derivative financial assets in investment funds rated AAA investing in CETES, government securities and government debt. Investments may be made for up to 365 days provided the funds can be withdrawn before maturity in whole or in part on three business days' notice and with no penalty other than the loss of any interest up to the time of such early withdrawal.

**h. Properties and equipment**

Office equipment and other equipment are carried at cost, fixed assets received as donations are recognized at fair value at the time of the donation; depreciation of buildings, office equipment and other equipment is calculated based on the value of fixed assets under the straight-line method, according to their useful life at the following annual rates:

Buildings	5%
Office equipment	20%
Other equipment	4%

As a result of the Association adopting Mexican Financial Reporting Standards, it was necessary to establish the fair value or current market value of the properties owned by the Association that are located at Calle 16 de Septiembre # 16 and Calle Galeana # 18 (“The Wilkes Center”). Two real estate brokers familiar with the Lakeside area were asked to provide these valuations. In keeping with the principles of applying conservative accounting standards, the values reflected in the financial statements are the lower of those valuations. The property located at Calle Ribera del Lago # 50, is valued at its purchase price.

**i. Employee benefits**

The Federal Labor Law establishes the basis for payments to employees and workers whose employment has been terminated. The Association has recorded any such payments as follows:

Severance and Retirement Payments-

The payments, other than retirement, made to personnel terminated without cause, other than as a result of a corporate reorganization, are charged to expense for the period when they are paid. In addition, generally speaking, a reserve should be established based on the weighted average of related payments made in a three to five-year period, taking into account the probability of having to make such payments.

Seniority Premium-

The liability for seniority premiums payable by withdrawal payment to employees who have or expected to have, fifteen or more years of service as established by the Federal Labor Law, has been determined using the methodology established by Mexican Federal Labor Law. Notwithstanding that the obligation for seniority premium was not determined based on actuarial calculations; the related balance shown in Note 9 below is estimated to be sufficient to cover such obligation.

**j. Record of revenue and expenses**

Donations received are recorded when cash is collected, and expenditures are recognized at the time they occur. Donations receivable are recognized when they are earned, are legally enforceable and there is sufficient assurance that these will be collected, as required by NIF E-2 of the financial reporting standards.

Other revenue generated by the Association, such as services rendered, is recognized when these have been provided and accepted by the Association, revenue generated by the sales of the Thrift Shop is accounted for as donations.

**k. Operating expenses**

Operating expenses are recognized in surplus or deficit upon utilization of the service or as incurred.

## **l. Significant management judgement in applying accounting policies and estimation uncertainty**

### **Significant management judgements**

The following are the judgements made by management in applying the accounting policies of the Association that have the most significant effect on the financial statements.

### **Estimation uncertainty**

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. The uncertainty in these estimates derives from technical obsolescence, physical conditions and use that may modify the expected utility.

### **m. Changes in accounting policies**

New standards and improvements to NIFs became effective as of January 1, 2019, which had no effect on the Association.

## **5. CASH AND CASH EQUIVALENTS**

	<b>2019</b>	2018
Petty cash and banks	\$ <b>114,563</b>	\$ 117,881
Short-term investments temporarily restricted	<b>5,536,499</b>	5,840,049
Short-term investments not restricted	<b>1,148,392</b>	1,648,301
	<b>\$ 6,799,454</b>	\$ 7,606,231

As of December 31, 2019 and 2018, the amounts of temporarily restricted investments with a defined objective were \$ 4,686,499 and \$ 5,090,049, respectively. Likewise, the amounts corresponding to a reserve fund were in the amounts of \$ 850,000 and \$ 750,000 respectively.

During the years ended December 31, 2019 and 2018 interest generated by investments were \$ 454,290 and \$ 457,916 respectively, which are presented as part of interest income in the statements of activities.

**6. PROPERTIES AND EQUIPMENT**

	<b>2019</b>	2018
Buildings	<u>\$ 6,479,730</u>	<u>\$ 6,479,730</u>
Office equipment	<u>66,884</u>	66,884
Other equipment	<u>475,000</u>	475,000
	<u>7,021,614</u>	7,021,614
Less - Accumulated depreciation	<u>5,124,581</u>	5,003,645
	<u>1,897,033</u>	2,017,969
Land	<u>17,539,281</u>	17,539,281
	<u><u>\$ 19,436,314</u></u>	<u><u>\$ 19,557,250</u></u>

In prior years the Association received as a donation without restrictions two properties of 4,497 square meters and 741 square meters respectively, located at Calle 16 de Septiembre # 16, Ajijic and Calle Galeana # 18, Ajijic, both of which contain the Association's offices and other facilities including libraries.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2019</b>	2018
Sundry creditors	<u>\$ 332,204</u>	<u>\$ 221,728</u>
Taxes payable	<u>139,840</u>	119,654
	<u><u>\$ 472,044</u></u>	<u><u>\$ 341,382</u></u>

**8. REVENUE FROM MEMBERSHIPS TO RENDER**

The AAGM in March 2018, increased full annual membership dues from \$ 540 to \$ 700. Members were allowed to prepay up to 2 years of membership dues at the old membership rates prior to April 30, 2018.

This resulted in a prepayment of membership dues revenue, over and above normal renewals of \$ 408,000.

This prepayment received is being recognized as revenue on a monthly basis as if the member had renewed on their birthday.

The amount pending amortization of prepaid membership dues revenue at December 31, 2019 and 2018, amounted to \$ 65,588 and \$ 397,555, respectively.

## **9. EMPLOYEE BENEFITS**

### Severance and Retirement Payments-

At December 31, 2019 and December 31, 2018, no specific reserve for severance and retirement payments has been established. The lack of such a reserve is not material, as historically the Association has not dismissed employees without cause, nor is it the Association's practice to make such dismissals.

### Seniority Premium-

As of December 31, 2019 and December 31, 2018 the Association has seniority premium reserves of \$ 245,629 and \$ 281,600, respectively. The related seniority premium expense in 2019 and 2018 was \$ 63,361 and \$ 49,803, respectively.

## **10. PATRIMONY**

The Association's Patrimony is comprised of the remaining balances of revenues over costs and expenses of each year, in conformity with the Association's bylaws.

The Association's Patrimony has been classified as follows:

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

- (a) Unrestricted Net Assets- Net assets that are not subject to donor-imposed stipulations or where the donor-imposed stipulations are met in the year of the contribution.
- (b) Temporarily restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Both the Gillespie Fund and the Student Aid Funds are purpose-restricted funds that fall under this classification.
- (c) Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned or any related investments for general or specific purposes.

## 11. INCOME TAX

The Association is considered as a non-profit legal entity as provided for in section XVII of Article 79 of the Income Tax Law. However, the second to the last paragraph of Article 79 sets forth that the amount of improperly recorded omitted income or unrealized purchases will be considered a distributable remaining balance, and the disbursements made are not deductible as provided for in Title IV of the Income Tax law, even when the foregoing has not been delivered to its members or associates in cash or goods. However at December 31, 2019 and 2018, the Association did not have a distributable remaining balance as defined under the Income Tax law.

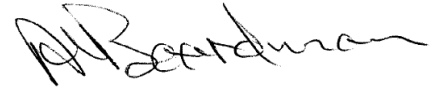
## 12. SUBSEQUENT EVENTS

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorization.



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Carole Jeanne Wolff  
President



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Andrew Timothy Boardman  
Treasurer



Salles Sainz

**Grant Thornton**

Estados financieros e Informe del auditor independiente

The Lake Chapala Society, A.C.

31 de diciembre de 2019 y 2018



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## Informe del auditor independiente

A los miembros de la Asociación de

The Lake Chapala Society, A.C.:

### **Opinión**

Hemos auditado los estados financieros de The Lake Chapala Society, A.C., (la Asociación), que comprenden los estados de posición financiera al 31 de diciembre de 2019 y 2018, los estados de actividades y de flujos de efectivo correspondientes a los años terminados en esas fechas, así como las notas explicativas a los estados financieros que incluyen un resumen de las políticas contables significativas.

En nuestra opinión, los estados financieros adjuntos presentan razonablemente, en todos los aspectos materiales, la posición financiera de The Lake Chapala Society, A.C., al 31 de diciembre de 2019 y 2018, así como los resultados de sus actividades y sus flujos de efectivo correspondientes a los años terminados en esas fechas, de conformidad con las Normas de Información Financiera Mexicanas (NIF).

### **Fundamento de la opinión**

Hemos llevado a cabo nuestra auditoría de conformidad con las Normas Internacionales de Auditoría (NIA). Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección 'Responsabilidades del auditor en relación con la auditoría de los estados financieros' de nuestro informe y en el 'Anexo' siguiente. Somos independientes de la Asociación de conformidad con el Código de Ética para la Profesión Contable del Consejo de Normas de Ética para Contadores (Código del IESBA), junto con los requerimientos de ética que son aplicables a nuestras auditorías de los estados financieros en México de conformidad con el Código de Ética Profesional del Instituto Mexicano de Contadores Públicos, A.C. (Código del IMCP) y hemos cumplido con las demás responsabilidades de ética de conformidad con esos requerimientos y con los Códigos del IESBA y del IMCP. Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

**Responsabilidades de la Administración de la Asociación con respecto a los estados financieros.**

La Administración de la Asociación es responsable de la preparación y presentación razonable de los estados financieros adjuntos de conformidad con las NIF, y del control interno que la Administración de la Asociación considero necesario para permitir la preparación de estados financieros libres de desviación material, debida a fraude o error.

En la preparación de los estados financieros, la Administración de la Asociación es responsable de la evaluación de la capacidad de la Asociación de continuar en funcionamiento, revelando, en su caso, las cuestiones relativas al negocio en marcha y utilizando el postulado de negocio en marcha, a menos que, la Administración de la Asociación tenga la intención de liquidar la Asociación o de cesar operaciones, o bien no exista otra alternativa más realista.

**Responsabilidades del auditor en relación con la auditoría de los estados financieros**

Nuestros objetivos son obtener una seguridad razonable de que los estados financieros de The Lake Chapala Society, A.C., en su conjunto están libres de desviación material, debida a fraude o error, y emitir un informe de auditoría que incluye nuestra opinión. Seguridad razonable es un alto grado de seguridad, pero no garantiza que una auditoría realizada de conformidad con las NIA siempre detecte una desviación material cuando exista. Las desviaciones pueden deberse a fraude o error y se consideran materiales, si, individualmente o de forma agregada, puede preverse razonablemente que influirán en las decisiones económicas que los usuarios toman basándose en los estados financieros.

SALLES, SAINZ – GRANT THORNTON, S.C.



C.P.C. Alejandro O. Juárez Becerra  
Socio

28 de febrero de 2020  
Guadalajara, Jalisco, México

## Anexo del Informe del Auditor Independiente

### **Descripción adicional de nuestras responsabilidades sobre la auditoría de los estados financieros**

Como parte de una auditoría de conformidad con las NIA, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de desviación material en los estados financieros, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una desviación material debida a fraude es más elevado que en el caso de una desviación material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la Asociación.
- Evaluamos la adecuación de las políticas contables aplicadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por la Administración de la Asociación.
- Concluimos sobre lo adecuado de la utilización, por parte de la Administración de la Asociación, de la base contable de negocio en marcha y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no, una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Asociación para continuar como negocio en marcha. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en los estados financieros o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, hechos o condiciones futuras pueden ser causa de que la Asociación deje de ser una entidad en funcionamiento.
- Evaluamos la presentación general, la estructura y el contenido de los estados financieros, incluida la información revelada, y si los estados financieros representan las transacciones y hechos subyacentes de un modo que logran una presentación razonable.

Comunicamos a la Administración de la Asociación en relación con, entre otros asuntos, el alcance y el momento de realización de la auditoría, planificados y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos en el transcurso de la auditoría.

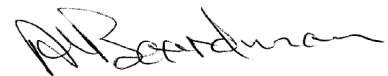
Estados de posición financiera  
Al 31 de diciembre de 2019 y 2018  
(Expresados en Pesos)

	Notas	2019			2018
		Sin restringir	Temporalmente restringido	Total	Total
<b>ACTIVOS</b>					
<b>Activo circulante</b>					
Efectivo y equivalentes de efectivo	5	\$ 1,262,955	\$ 5,536,499	\$ 6,799,454	\$ 7,606,231
Donativos por cobrar		15,952	-	15,952	51,448
Total del activo a corto plazo		<u>1,278,907</u>	<u>5,536,499</u>	<u>6,815,406</u>	<u>7,657,679</u>
<b>Activo no circulante</b>					
Propiedades y equipo, neto	6	19,436,314	-	19,436,314	19,557,250
<b>Total de activos</b>		<u>\$ 20,715,221</u>	<u>\$ 5,536,499</u>	<u>\$ 26,251,720</u>	<u>\$ 27,214,929</u>
<b>PASIVO</b>					
<b>Pasivo a corto plazo</b>					
Cuentas por pagar y gastos acumulados	7	\$ 472,044	\$ -	\$ 472,044	\$ 341,382
Ingresos de membresías por devengar	8	65,588	-	65,588	206,557
Total del pasivo a corto plazo		<u>537,632</u>	<u>-</u>	<u>537,632</u>	<u>547,939</u>
<b>Pasivo a largo plazo</b>					
Beneficio a los empleados	9	245,629	-	245,629	281,600
Ingresos de membresías por devengar	8	-	-	-	191,008
Total del pasivo a largo plazo		<u>245,629</u>	<u>-</u>	<u>245,629</u>	<u>472,608</u>
<b>Total del pasivo</b>		<u>783,261</u>	<u>-</u>	<u>783,261</u>	<u>1,020,547</u>
<b>PATRIMONIO</b>					
Remanente de ejercicios anteriores	10	19,931,960	-	19,931,960	20,354,333
Donativos acumulados		-	4,686,499	4,686,499	5,090,049
Fondo de reserva		-	850,000	850,000	750,000
<b>Total del patrimonio</b>		<u>19,931,960</u>	<u>5,536,499</u>	<u>25,468,459</u>	<u>26,194,382</u>
<b>Total de pasivo y patrimonio</b>		<u>\$ 20,715,221</u>	<u>\$ 5,536,499</u>	<u>\$ 26,251,720</u>	<u>\$ 27,214,929</u>

Las notas adjuntas son parte integrante de estos estados de posición financiera.



Carole Jeanne Wolff  
Presidenta



Andrew Timothy Boardman  
Tesorero

Estados de actividades

Por los años terminados el 31 de diciembre de 2019 y 2018

(Expresados en Pesos)

	2019			2018
	Sin restringir	Temporalmente restringido	Total	Total
<b>Ingresos:</b>				
Membresías	\$ 2,490,619	\$ -	\$ 2,490,619	\$ 1,657,439
Donativos en efectivo	1,036,324	14,300	1,050,624	1,963,464
Venta de artículos	862,197	-	862,197	773,793
Otros ingresos	1,750,715	-	1,750,715	1,039,822
<b>Total de ingresos</b>	<b>6,139,855</b>	<b>14,300</b>	<b>6,154,155</b>	<b>5,434,518</b>
<b>Gastos de operación:</b>				
Nómina	3,734,328	-	3,734,328	2,828,620
Gastos administrativos	652,170	-	652,170	561,386
Gastos de servicios	1,538,738	94,850	1,633,588	890,476
Ayuda para estudiantes	-	323,000	323,000	190,000
Gastos de mantenimiento	645,890	-	645,890	335,537
Servicios profesionales	178,482	-	178,482	168,414
Depreciación	120,936	-	120,936	120,936
Derechos zona federal	64,141	-	64,141	46,617
<b>Total de gastos de operación</b>	<b>6,934,685</b>	<b>417,850</b>	<b>7,352,535</b>	<b>5,141,986</b>
<b>Resultado integral de financiamiento:</b>				
Intereses a favor	454,290	-	454,290	457,916
Utilidad (pérdida) en cambios, neto	18,167	-	18,167	(147,719)
<b>Total resultado integral de financiamiento</b>	<b>472,457</b>	<b>-</b>	<b>472,457</b>	<b>310,197</b>
<b>(Déficit) remanente del ejercicio</b>	<b>\$ (322,373)</b>	<b>\$ (403,550)</b>	<b>\$ (725,923)</b>	<b>\$ 602,729</b>
<b>Cambios en el patrimonio-</b>				
	Sin restringir	Temporalmente restringido		Total
		Donativos	Fondo de reserva	
<b>Saldos al 31 de diciembre de 2018</b>	\$ 20,354,333	\$ 5,090,049	\$ 750,000	\$ 26,194,382
Déficit del ejercicio	(322,373)	(403,550)	-	(725,923)
Incremento al fondo de reserva	(100,000)	-	100,000	-
<b>Saldos al 31 de diciembre de 2019</b>	<b>\$ 19,931,960</b>	<b>\$ 4,686,499</b>	<b>\$ 850,000</b>	<b>\$ 25,468,459</b>

Las notas adjuntas son parte integrante de estos estados financieros.



Carole Jeanne Wolff  
Presidenta



Andrew Timothy Boardman  
Tesorero

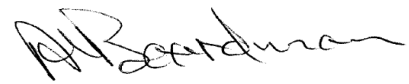
**Estados de flujos de efectivo**  
**Por los años terminados el 31 de diciembre de 2019 y 2018**  
 (Expresados en Pesos)

	<u>2019</u>	<u>2018</u>
<b>OPERACIÓN:</b>		
(Déficit) remanente del ejercicio	\$ (725,923)	\$ 602,729
Partidas relacionadas con actividades de inversión:		
Depreciación	120,936	120,936
Provisión de beneficios a los empleados	(35,971)	49,803
Intereses a favor	(454,290)	(457,916)
Partidas relacionadas con actividades de financiamiento:		
Patrimonio temporalmente restringido aplicado	-	(542,813)
Pérdida cambiaria de préstamo por pagar	-	(14,398)
	<u>(1,095,248)</u>	<u>(241,659)</u>
Donativos por cobrar	35,496	(9,197)
Cuentas por pagar y gastos acumulados	130,662	172,552
Ingresos de membresías por devengar	(331,977)	397,565
Flujos netos de efectivo de actividades de operación	<u>(1,261,067)</u>	<u>560,920</u>
<b>INVERSION:</b>		
Adquisiciones de equipo de oficina	-	(28,746)
Intereses cobrados	454,290	457,916
Flujos netos de efectivo de actividades de inversión	<u>454,290</u>	<u>429,170</u>
<b>FINANCIAMIENTO:</b>		
Pago de préstamo	-	(397,279)
Flujos netos de efectivo de actividades de financiamiento	<u>-</u>	<u>(397,279)</u>
(Disminución) aumento en efectivo y equivalentes de efectivo	(806,777)	351,152
Efectivo y equivalentes de efectivo al inicio del año	7,606,231	7,255,079
Efectivo y equivalentes de efectivo al final del año	<u>\$ 6,799,454</u>	<u>\$ 7,606,231</u>

Las notas adjuntas son parte integrante de estos estados financieros.



**Carole Jeanne Wolff**  
 Presidenta



**Andrew Timothy Boardman**  
 Tesorero

# Notas a los estados financieros

## 31 de diciembre de 2019 y 2018

### (Expresadas en Pesos)

#### **1. NATURALEZA DE LAS OPERACIONES**

El objeto social de The Lake Chapala Society, A.C. (la "Asociación" o "LCS") es abogar por una mejora del nivel de vida en la comunidad, promover el desarrollo de las actividades artísticas y culturales, y facilitar reuniones periódicas para promover la amistad y la camaradería entre sus miembros y promulgar las actividades sociales.

LCS es una asociación mexicana no lucrativa constituida el 5 de diciembre de 1979.

La Asociación tiene su oficina en la Calle 16 de septiembre #16A en Ajijic, Jalisco, México.

En octubre de 2019, LCS cerró su tienda de ahorro, QUÉ GANGA!. La tienda de ahorro aceptaba donaciones de ropa y mercancía y revendía estos artículos al público.

#### **2. NEGOCIO EN MARCHA**

Los estados financieros que se acompañan han sido preparados de conformidad con las NIF, las cuales consideran la continuidad de la Asociación como negocio en marcha.

#### **3. APROBACIÓN Y BASES DE PREPARACIÓN DE LOS ESTADOS FINANCIEROS**

Los estados financieros adjuntos han sido preparados de acuerdo con las Normas de Información Financiera Mexicanas (NIF) emitidas por el Consejo Mexicano de Normas de Información Financiera, A.C. (CINIF). Asimismo, han sido preparados bajo la presunción de que la Asociación opera sobre una base de negocio en marcha.

Los estados financieros que se acompañan fueron autorizados para su emisión por la Sra. Carole Jeanne Wolff (Presidenta) y el Sr. Andrew Timothy Boardman (Tesorero) el 28 de febrero de 2020, consecuentemente, no reflejan los hechos ocurridos posteriores a esa fecha.

Los estados financieros adjuntos se someterán a la aprobación de la Junta Directiva de la Asociación que se realizará el 19 de marzo de 2020.



#### **4. PRINCIPALES POLÍTICAS CONTABLES**

Las políticas contables significativas que se han utilizado para la preparación de estos estados financieros consolidados se resumen a continuación.

##### **a. Conversión de estados financieros**

###### **Moneda funcional y de presentación**

Los estados financieros se presentan en la moneda “peso”, la cual también es la moneda funcional de la Asociación.

La moneda funcional es aquella en la que la Asociación primordialmente genera y utiliza sus flujos de efectivo correspondientes a sus ventas, costos y gastos, así como los financiamientos obtenidos y otras transacciones.

###### **Saldos y transacciones en moneda extranjera**

Las operaciones en monedas extranjeras se convierten a la moneda funcional utilizando los tipos de cambio prevalecientes a las fechas de las transacciones (tipo de cambio spot). Las ganancias y pérdidas cambiarias resultantes de la liquidación de dichas operaciones y de la valuación de las partidas monetarias al tipo de cambio de cierre de año, se reconocen en resultados.

Los rubros no monetarios no se convierten al tipo de cambio de cierre de año y son medidos a costo histórico (convertidos utilizando los tipos de cambio a la fecha de la operación).

##### **b. Entidades no lucrativas**

La Asociación como entidad con fines no lucrativos, está sujeta a las normas de información financiera específicas para entidades no lucrativas.

##### **c. Estados de actividades**

Los estados de actividades presentan los costos y gastos clasificados adecuadamente según lo acordado con la Asociación.

##### **d. Estados de flujos de efectivo**

La Asociación ha decidido presentar los estados de flujos de efectivo utilizando el método indirecto que consiste en presentar en primer lugar el remanente o el déficit del ejercicio y posteriormente los cambios en el capital de trabajo, las actividades de inversión y por último las de financiamiento.

##### **e. Efectos de la inflación**

La Asociación opera en un entorno económico no inflacionario, ya que la inflación acumulada de los tres años anteriores a la fecha de los estados financieros es menor del 26%.

La inflación anual de 2018, 2017 y 2016, fue del 4.8300%, 6.7730% y 3.3603%, respectivamente, por lo tanto, la inflación acumulada de los tres ejercicios anuales anteriores fue del 15.60%.

Los estados financieros al 31 de diciembre de 2019 y 2018 están preparados sobre la base del valor histórico original, por lo tanto, no reconocen los efectos de la inflación en la información financiera hasta el 31 de diciembre de 2007. Se estima que dichos efectos no afectan de forma material a los estados financieros en su conjunto.

#### **f. Efectivo y equivalentes de efectivo**

El efectivo y equivalentes de efectivo comprenden el efectivo en caja y depósitos bancarios en cuentas de cheques e inversiones disponibles a la vista de alta liquidez que son fácilmente convertibles en efectivo y que están sujetas a un riesgo poco significativo de cambios en valor.

#### **g. Inversiones en valores realizables**

Las inversiones en valores realizables se registran a su valor de mercado.

La Asociación tiene inversiones temporalmente restringidas con un objetivo definido que corresponde a las donaciones recibidas para fines específicos, tales como, la ayuda estudiantil y la compra de libros para la biblioteca de la Asociación. Del mismo modo, la Asociación cuenta con una inversión que corresponde a un fondo de reserva establecido en el Acta Constitutiva de la Asociación y está destinado a las reparaciones de emergencia, el pago de liquidaciones por despido y otros usos, a discreción de los miembros y determinadas durante la Asamblea anual General de miembros de la Asociación.

La Asociación ha decidido no invertir en instrumentos financieros de riesgo; todas las inversiones son activos financieros no derivados depositados en fondos de inversión calificados AAA invertidos en CETES, títulos públicos y deuda pública. Las inversiones pueden realizarse hasta por 365 días, siempre que los fondos se puedan retirar antes del vencimiento en su totalidad o en parte con un aviso previo de tres días hábiles y sin otra multa que la pérdida de intereses hasta el momento de dicho retiro anticipado.

#### **h. Propiedades y equipo**

El equipo de oficina y otros equipos se registran al costo, los activos fijos recibidos como donaciones se registran a su valor de mercado al momento de la donación; la depreciación se calcula con base en el valor de los activos fijos, neto de su valor residual y bajo el método de línea recta, en función a la vida útil de los mismos a las siguientes tasas anuales:

Edificio	5%
Equipo de oficina	20%
Otros equipos	4%

Como resultado de que la Asociación adoptara las Normas de Información Financiera Mexicanas, fue necesario establecer el valor razonable o de mercado de los inmuebles propiedad de la Asociación y recibidos en donación que se encuentran en la calle 16 de septiembre # 16 y en la calle Galeana # 18 ("El Centro Wilkes"). Se obtuvieron dos avalúos por parte de dos corredores de bienes raíces que conocen la zona donde se ubican los inmuebles, el valor reflejado en los estados financieros de estos activos fue el menor referido en dichos avalúos. El inmueble localizado en Calle Ribera del Lago # 50, está valuado a su precio de compra.

#### **i. Beneficios a los empleados**

Los pagos que establece la Ley Federal del Trabajo para empleados y trabajadores que dejen de prestar sus servicios, son registrados por la Asociación como sigue:

##### Indemnización-

Los pagos, excepto la jubilación, hechos al personal despedido sin justa causa, que no sea como resultado de una reorganización corporativa, se cargan a gastos para el período en que se pagan. Además, en términos generales, una reserva debe establecerse sobre la base de la media ponderada de los correspondientes pagos realizados en un período de tres a cinco años, teniendo en cuenta la probabilidad de tener que hacer esos pagos.

##### Prima de antigüedad-

El pasivo por prima de antigüedad pagadera a empleados que tienen, o se espera que tengan, quince o más años de servicio establecido como un pago al retiro por la Ley Federal del Trabajo, se ha determinado utilizando la metodología establecida por la Ley Federal del Trabajo Mexicana. A pesar de que esta reserva no fue determinada en base a cálculos actuariales; el saldo de ésta, que se muestra en la Nota 9 siguiente, se estima es suficiente para cubrir dicha obligación.

#### **j. Registro ingresos y gastos**

Los donativos recibidos se registran cuando se cobran y los gastos se reconocen en el momento que ocurren. Los donativos por cobrar se reconocen cuando se devengan, son legalmente exigibles y cuando hay suficientes garantías de que éstos se cobrarán, como es requerido por la NIF E-2 "Donativos recibidos u otorgados por entidades con propósitos no lucrativos".

Otros ingresos generados por la Asociación, tales como los servicios prestados, se reconocen cuando éstos se han proporcionado y aceptado. Los ingresos generados por las ventas de Thrift Shop se contabilizan como donaciones.

#### **k. Gastos operativos**

Los gastos operativos se reconocen en resultados al momento de utilizar el servicio o conforme se incurren.

## **I. Juicio significativo de la Administración al aplicar políticas contables e incertidumbre en estimaciones**

### **Juicios significativos de la Administración**

A continuación, se describen los juicios significativos de la Administración en la aplicación de las políticas contables de la Compañía que tienen un efecto importante en los estados financieros.

### **Incertidumbre en las estimaciones**

La información sobre juicios significativos, estimados y supuestos que tiene el efecto más significativo sobre el reconocimiento y medición de activos, pasivos, ingresos y gastos se proporciona a continuación, los resultados reales pueden ser substancialmente diferentes.

#### Vidas útiles de activos depreciables

La Administración revisa las vidas útiles de los activos depreciables en cada fecha de reporte, con base en el uso esperado de cada activo. La incertidumbre en estas estimaciones deriva de la obsolescencia técnica, condiciones físicas y de uso que puedan modificar el uso esperado.

### **m. Cambios en políticas contables**

Nuevas normas y mejoras a las NIF entraron en vigor a partir del 1 de enero de 2019, las cuales no tuvieron efecto en la Asociación.

## **5. EFECTIVO Y EQUIVALENTES DE EFECTIVO**

	<b>2019</b>	2018
Efectivo en caja y bancos	\$ <b>114,563</b>	\$ 117,881
Inversiones a corto plazo temporalmente restringidas	<b>5,536,499</b>	5,840,049
Inversiones a corto plazo no restringidas	<b>1,148,392</b>	1,648,301
	<b>\$ 6,799,454</b>	\$ 7,606,231

Al 31 de diciembre de 2019 y 2018, el importe de las inversiones temporalmente restringidas con un objeto definido fue de \$ 4,686,499 y \$ 5,348,598, respectivamente. Del mismo modo, el importe correspondiente al fondo de reserva fue de \$ 850,000 y \$ 750,000 respectivamente.

Durante los años terminados el 31 de diciembre de 2019 y 2018, los intereses generados por inversiones fueron de \$ 454,290 y \$ 457,916, respectivamente, que se presentan como parte de los intereses ganados en el estado de actividades.

**6. PROPIEDADES Y EQUIPO**

	<b>2019</b>	2018
Edificios	\$ <b>6,479,730</b>	\$ 6,479,730
Equipo de oficina	<b>66,884</b>	66,884
Otros equipos	<b>475,000</b>	475,000
	<b>7,021,614</b>	7,021,614
Menos – Depreciación acumulada	<b>5,124,581</b>	5,003,645
	<b>1,897,033</b>	2,017,969
Terrenos	<b>17,539,281</b>	17,539,281
	<b>\$ 19,436,314</b>	<b>\$ 19,557,250</b>

La Asociación recibió como donativo sin restricciones dos propiedades de 4,497 metros cuadrados y 741 metros cuadrados respectivamente, ubicadas en la Calle 16 de Septiembre # 16, en Ajijic y Calle Galeana # 18, en Ajijic, en las cuales se ubican las oficinas de la Asociación, la biblioteca y otras instalaciones.

**7. CUENTAS POR PAGAR Y GASTOS ACUMULADOS**

	<b>2019</b>	2018
Acreedores diversos	\$ <b>332,204</b>	\$ 221,728
Impuestos por pagar	<b>139,840</b>	119,654
	<b>\$ 472,044</b>	<b>\$ 341,382</b>

**8. INGRESOS DE MEMBRESIAS POR DEVENGAR**

La Junta Directiva de la Asociación en marzo de 2018 aumentó las cuotas anuales de membresía de \$ 540 a \$ 700. Los miembros podían pagar por adelantado hasta 2 años de cuotas de membresía a las tarifas anteriores antes del 30 de abril del 2018.

Esto resultó en pago anticipado de los ingresos de las cuotas de membresía además de las renovaciones normales de \$ 408,000.

Este pago anticipado recibido se reconoce mensualmente en ingresos, como si el miembro hubiera renovado en su cumpleaños.

El monto pendiente de amortizar de los ingresos de las cuotas de membresía prepagadas al 31 de diciembre de 2019 y 2018, ascendió a \$ 65,588 y \$ 397,555 respectivamente.

## **9. BENEFICIOS A LOS EMPLEADOS**

### Indemnización-

Al 31 de diciembre de 2019 y 2018, no se ha establecido una reserva específica para indemnización. La falta de dicha reserva no es material, ya que históricamente la Asociación no ha despedido a empleados sin causa, ni tampoco es la práctica de la Asociación el hacer tales despidos.

### Prima de antigüedad-

Al 31 de diciembre 2019 y 2018, la Asociación cuenta con una reserva de prima de antigüedad de \$ 245,629 y \$ 281,600, respectivamente. El gasto por prima de antigüedad en 2019 y 2018 fue de \$ 63,361 y \$ 49,803, respectivamente.

## **10. PATRIMONIO**

El Patrimonio de la Asociación se compone de los remanentes de los ingresos sobre los costos y gastos de cada año, de conformidad con los estatutos de la Asociación.

El Patrimonio de la Asociación ha sido clasificado de la siguiente manera:

Los activos netos y los ingresos, gastos, ganancias y pérdidas se clasifican en función de la existencia o ausencia de restricciones impuestas por los donantes. En consecuencia, los activos netos de la Asociación y sus variaciones se clasifican y se reportan de la siguiente manera:

- (a) Activos netos no restringidos - Los activos netos que no están sujetos a las estipulaciones impuestas por los donantes o cuando se cumplan las estipulaciones impuestas por los donantes en el año de la contribución.
- (b) Activos netos temporalmente restringidos - Activos netos sujetos a las estipulaciones impuestas por los donantes que pueden o no pueden ser cumplidos, ya sea por acciones de la Asociación y/o el paso del tiempo. Cuando una restricción expira, los activos netos temporalmente restringidos son transferidos a los activos netos no restringidos y reportados en el estado de actividades como activos netos liberados de restricciones. Tanto el fondo Gillespie y los fondos de ayuda al estudiante son fondos para fines restringidos que caen bajo esta clasificación.
- (c) Activos netos permanentemente restringidos - Activos netos sujetos a las estipulaciones impuestas por los donantes que se mantengan permanentemente por la Asociación. En general, los donantes de estos activos permiten a la Asociación utilizar la totalidad o parte de los ingresos obtenidos o cualquier inversión relacionada para fines generales o específicos.

## 11. IMPUESTO SOBRE LA RENTA

La Asociación se considera como una entidad jurídica sin fines de lucro conforme a lo dispuesto en la sección XVII del artículo 79 de la Ley del Impuesto sobre la Renta. Sin embargo, del segundo al último párrafo del artículo 79 establece que el monto del ingreso omitido indebidamente registrado o compras no realizadas se considerarán como un saldo remanente distribuible, y los desembolsos efectuados no son deducibles de acuerdo a lo dispuesto en el Título IV de la Ley del ISR, incluso cuando el anterior no ha sido entregado a sus miembros o asociados en dinero o bienes. Al 31 de diciembre de 2019 y 2018, la Asociación no tenía saldo de remanente distribuible como se define en la Ley del Impuesto sobre la Renta.

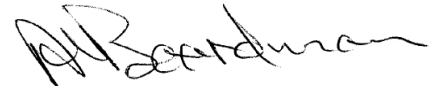
## 12. EVENTOS POSTERIORES A LA FECHA DE REPORTE

No se ha presentado ningún evento significativo, entre la fecha de reporte del auditor independiente y la fecha de autorización de los estados financieros, que requiera algún ajuste o revelación.



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Carole Jeanne Wolff  
Presidenta



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Andrew Timothy Boardman  
Tesorero



*Extending our legacy  
as an oasis for personal enrichment,  
socialization and collaboration throughout Lakeside.*

**A Comprehensive  
Long-Range Plan  
for the Lake Chapala Society**





**INTRODUCTION:** In December 2018, the Lake Chapala Society Board of Directors created a Master Redevelopment Planning Task Force to conduct a comprehensive campus-wide improvement initiative to assess and analyze its functions (programs, services and activities) offered to members and non-members, its buildings, grounds, and infrastructure, and a major expansion of new buildings, along with a plan to determine where best to locate its functions on the campus. The goal of this taskforce was to create a roadmap for the future development to extend the 60+ year legacy of Lake Chapala Society history, culture and traditions.

Our plans are guided by our vision which is *“a future where all lakeside residents continually have a role in enriching the community’s quality of life, vitality, and prosperity through the exchange of knowledge, expertise, culture and language”*. We used this vision as our **North Star**, which is where everyone involved with the Lake Chapala Society is heading.

On March 14, 2019, the Board of Directors approved the recommendations of the Task Force as the Comprehensive Long-Range

Plan for the Lake Chapala Society. The plan is focused on improving, modernizing, reinventing and transforming LCS by creating a continuous quality improvement culture, and expanding the use of information technology with greater collaboration between and among the Mexican and foreign communities. We will take our best practices from LCS 1.0, with its rich history, culture and traditions of programs, services and activities over the past 60+ years and transcend the organization into Lake Chapala Society 2.0.

**GOALS AND OBJECTIVES:** This Comprehensive Long-Range Plan consists of the following goals organized into five broad categories:

**Section 1) Organizational Development:** The Lake Chapala Society is an organization run by volunteer leaders, with an Executive Director responsible for paid and volunteer staff to carry out the day to day operations for over 2,800 members and thousands of non-members. The organization has done a great job in delineating the role of governance from that of operations. However, in order to accomplish an initiative of this scale, a great deal of organizational

development, strategic planning and communication will be required from all facets of the organization. Building a continuous quality improvement culture, an expanded use of information technology and greater collaboration, we can take our best practices and transform the organization into something truly unique and transcendent. The taskforce has concluded that the Lake Chapala Society needs to:



- 1.1) create a culture of engaging the hearts and minds of all stakeholders to inspire them to action and to support the reinvigoration effort at all levels;
- 1.2) create an understanding of, and a commitment to continuous quality improvement, to develop and implement processes for improving all facets of the organization;
- 1.3) develop a recruitment and succession plan to identify potential volunteer leaders willing and able to serve as members of the Board of Directors and standing committees, which should ideally have 5 to 7 members each;

1.4) provide board and committee orientation and training to better understand the history and role of LCS, prior plans and actions, the long-range goals and objectives, and a process for leaders to document the plans and actions taken by their committee;

1.5) create an organizational chart outlining the reporting structure of all current and projected paid and volunteer staff along with job descriptions;

1.6) enhance staff and volunteer effectiveness through modified methods of recruitment, selection, orientation, training and recognition in order for the organization to continually improve;

1.7) acquire a state-of-the-art information technology system in which all data resides and can be easily accessed by individual members and staff as required;

1.8) digitize past, current and future records for easy access to LCS leaders through the cloud, LCS Website and the LCS Archives;

1.9) create a staffing expansion plan to recruit and hire additional professionals to assist in the implementation of the Master Redevelopment Plan;

1.10) create an ongoing process to systematically survey and interpret relevant data to identify strengths, weaknesses, opportunities and threats to and for Lake Chapala Society; and

1.11) create a 25 year plan for the Lake Chapala Society.



### SECTION 2) COMMUNITY ENGAGEMENT:

For decades, the Lake Chapala Society has served as a multi-faceted resource for Lakeside residents who want to improve and enrich their own lives and the lives of fellow community members. Via this long-range plan, LCS has an opportunity to take a leap forward in fulfilling this mission. We want to take our best practices of LCS 1.0, which is its rich history, culture and traditions of programs, services and activities and transform the organization into an upgraded version of itself -- LCS 2.0. In order to accomplish this transformation, the taskforce has concluded that the Lake Chapala Society needs to:

2.1) collaborate with other standing committees to develop a comprehensive marketing and communications plan for the Lake Chapala Society, to create greater visibility and positive perception within both the Mexican and foreign communities;

2.2) create relationships between the LCS and leaders within the Mexican and foreign community that create greater opportunities for collaboration;

2.3) morph our programs, services and activities in ways which will serve

community needs while at the same time more fully integrating the Mexican and foreign communities;

2.4) enhance the volunteer program through improved methods of recruitment, selection, orientation, training and recognition.



### SECTION 3) PROGRAM DEVELOPMENT:

With the remarkable growth in membership, along with the growing number of programs, services and activities, Lake Chapala Society 2.0 will steadily improve, modernize and reinvent LCS to better support and invigorate the Lakeside Community. We have recently completed an assessment of a number of the programs we offer to the community at large with an emphasis towards improving content, monitoring results and the overall professional presentation of our offerings. The taskforce has therefore concluded that

the Lake Chapala Society needs to:

3.1) maintain a comprehensive catalogue of all programs, services and activities directly managed by LCS and volunteer-initiated efforts;

3.2) create a continuous quality improvement culture with processes for planning, implementing and evaluating programs, services and activities by:

3.2.1) determining best practices for maintaining ongoing programs and working collaboratively with the foreign and Mexican communities to create new programs and upgrade existing programs on the LCS campus;

3.2.2) determining the adequacy and appropriateness of the structures that house the programs, along with desks, seating, audio/visual equipment and other necessary supplies and equipment;

3.2.3) developing processes for recruitment, orientation and training for teachers, facilitators and other personnel;

3.2.4) defining criteria for measuring the performance of teachers, facilitators and other personnel/volunteers and assessing learning outcomes of program participants;

3.2.5) creating an ongoing appreciation and recognition program to celebrate the successes of teachers, facilitators, and participants; and

3.3) develop a transitional plan to move the offerings from the Wilkes Educational Center to the main LCS campus, including programs, services, activities, furnishings, fixtures, equipment, supplies, books, periodicals, etc.



### SECTION 4) CAMPUS REDEVELOPMENT:

Redevelopment of the Lake Chapala Society campus has been discussed for nearly two decades. Lake Chapala Society 2.0 includes a major campus redevelopment including new buildings, restoration and renovation of existing buildings, as well as infrastructure and landscaping improvements. A recent (2017) architectural schematic was developed of the existing campus, including a new Learning Center and a Sala Grande. The façade of these schematics is being reworked to be more in tune with the surroundings of the small Mexican village of Ajijic. In addition, the Lake Chapala Society acquired a lakefront residential property, which now extends the campus the length of one city block with access to Lake Chapala. This property was acquired through the support of generous donors, who in turn want to see the property used for campus expansion. An initial phase of expansion on this property will minimize disruption of programs, services and



activities. The taskforce has concluded that the Lake Chapala Society needs to:



4.1) restudy the current architectural plans to locate the Sala Grande within the new lake front property, create a new entry onto the campus that takes advantage of the lake front property, more fully integrate this property into the gardens and make this addition the starting point for new construction;

4.2) Create a comprehensive plan to redevelop the buildings and grounds to include:

4.2.1) recondition and refurbish the Neill James residence;

4.2.2) develop a master infrastructure plan; develop a master landscape and hardscape plan;

4.2.3) develop priorities for future property acquisition;

4.2.4) develop a Phasing Strategy to maximize the build-out of the Sala Grande, the Learning Center and other improvements while minimizing the

impact on our current programs, services and activities; and

4.3) upon full integration of programs, services and activities offered at the Wilkes Educational Center onto the main LCS campus, provide recommendations for future disposition or repurposing of the WEC property.



**SECTION 5) FUND ADVANCEMENT:** Lake Chapala Society 2.0 includes a major transformation in fund advancement. Funding for its future capital needs and a growing portion of its future operating costs will come from fundraising including Annual Giving, Planned-Giving, Capital Campaign, donor cultivation and rental income, as well as our membership dues and program fees. The third Annual Giving campaign significantly exceeded its goal of \$250,000 pesos and the 2019 campaign is hopeful to follow suit. A new Legacy Giving campaign is planned for the third quarter of 2019 and initial research indicates legacy donations could be a significant source of funds for both operational and capital needs. Planning will commence on “the most significant fundraising initiative ever undertaken at Lakeside” – a Capital Campaign for the new LCS redevelopment.

The taskforce has concluded that the Lake Chapala Society needs to:

5.1) expand collaborative efforts between the Fund Development Committee and the newly created Capital Campaign Ad Hoc Committee to align its goals and objectives to maximize its efforts on all facets of fundraising;



5.2) develop a comprehensive plan in collaboration with key stakeholders to recruit new and former members, retain current members, and increase membership diversity through continuous quality improvement and consistent focus on our relevance to our membership;

5.2.1) increase the retention of current levels of membership by an average of 6 months each year for the next five years;

5.3) create a staffing plan to recruit and hire professionals to assist in Fund Advancement;

5.3.1) develop a comprehensive long-term 5-year plan for the Annual Giving, Legacy Giving and Capital Campaign;

5.3.2) create a Case Statement and ancillary documents necessary to ensure the success of the Capital Campaign;

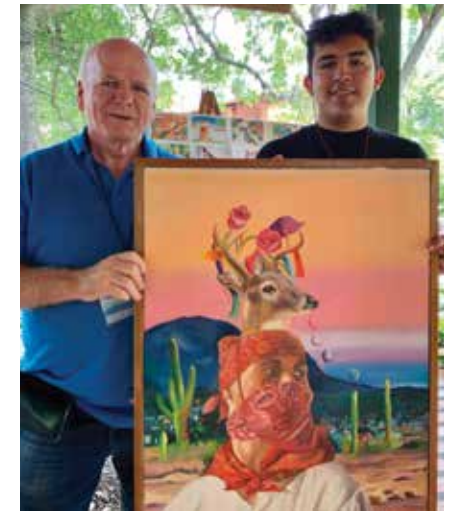
5.3.3) establish an Honorary Committee of key, major donors to kick off the silent phase of the Capital Campaign and enhance the ability to maximize donations during the silent phase; and

5.3.4) kick off the silent phase of the Capital Campaign with a series of gatherings of the key, major donors hosted by the Honorary Committee;

5.3.5) create a comprehensive data base of constituents for all future fundraising endeavors;

5.4) create a capital campaign budget; and

5.5) review current operations and develop a comprehensive plan for the Que Ganga Bazar.



# LCS 2.0

## Comprehensive Long-Range Plan for the Lake Chapala Society

**TIMELINES FOR ACTION:** The overall goal of LCS 2.0 is to direct the actions of the Lake Chapala Society over the next one to ten years. The Board of Directors will set annual organizational priorities for LCS and assign goals and objectives to a specific individual or committee to accomplish. Professional staff will be assigned



and/or hired to assist in these strategic plans and to develop policies, procedures and best practices to allow for continuous quality improvement. Furthermore, at all future board meetings, these individuals and committees will report on the actions they have undertaken to achieve these goals and objectives.



The Lake Chapala Society A.C. • 16 de Septiembre 16-A • 45920, Ajijic, Jalisco, MX  
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**LAKE CHAPALA SOCIETY A.C.  
ANNUAL GENERAL MEETING DRAFT  
WEDNESDAY, MARCH 19, 2019  
Neill James Patio**

1. Call to Order

The meeting was called to order at 10:00 AM by President, Carole Wolff. As there was not 50% of the membership present at the meeting it was recessed for 30 minutes to obtain an alternate quorum in compliance with Mexican law and the LCS constitution. At 10:30 attendance was 53.

2. Establishment of Quorum

The meeting was re-convened at 10:30 AM. The secretary confirmed that attendance for the alternate quorum was over the 50+1 members required.

3. Reading of Order of the Day

President Carole Wolff read the the Order of the Day.

4. Adoption of Agenda

*Moved by Nancy Creevan; seconded by Kate Howell, to approve the agenda as distributed. Membership voted unanimously. Motion Carried.*

5. Receipt of Minutes

*Moved by George Radford; seconded by Howard Feldstein to acknowledge the receipt of the minutes of the Annual General Meeting of March 13, 2018 as approved by the Board of Directors. Membership voted unanimously to acknowledge receipt of the 2018 AGM minutes as approved. Motion carried.*

6. President's Report

President Carole Wolff reviewed highlights of LCS activities and contributions to the Lakeside community during 2018.

Nancy Creevan on behalf of the LCS membership and Board of Directors presented Terry Vidal with a plaque recognizing his ten years of service to the Lake Chapala Society.

7. Ratification of 2018 Financial Report

The Treasurer, Tim Boardman, provided a financial report for 2018 and noted that LCS finished the year with a surplus of \$602,700 pesos and had increased its net asset value to \$26,194,382 pesos.

*Moved by Tim Boardman; seconded by David Pike, that in accordance with the Constitution, the audited financial statements for 2018 with accompanying footnotes, be ratified by the members as presented. Membership voted unanimously to ratify the financial reports as submitted. Motion carried.*

8. Receipt of 2019 Budget Projections

The Treasurer, Tim Boardman, presented the 2019 budget as approved by the Board.

*In accordance with the Constitution, the financial projections for 2019 must be presented to and received by the members each year at the AGM. This item does not require a motion or a vote.*

9. 2018 External Audit Report

Received the annual audit report from Salles Sainz Grant Thornton, represented at the meeting by Aldo Martinez, External Financial Auditor for 2018. Their report was summarized by the following statement;

**Unqualified Opinion**

“In our opinion, the financial statements present fairly, in all material respects, the financial position of The Lake Chapala Society, A.C., as of December 31, 2018, and its financial performance, and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards.”

*Moved by Phil Newbold and seconded by Gin Pelzl to ratify the appointment of Salles Sainz Grant Thornton for the 2019 Financial Audit. Membership voted unanimously. Motion carried.*

10. Ratification of Membership Categories & Dues

➤ *Moved by George Radford; seconded by Emile Badawy, that the dues structure defined below be used for fiscal 2019. Membership voted unanimously to ratify the dues. Motion carried.*

- Full Annual.....730 pesos;
- Monthly membership.....250 pesos per month;
- Senior (age 79 and over).....575 pesos;
- Student.....50 pesos
- Business.....2,000 to 20,000 pesos per year

11. Ratification of Reserve Fund Deposit

Tim Boardman, Treasurer spoke on behalf of the Board which has approved the allocation of 100,000 pesos to the reserve fund to continue a strategy to accumulate up to 12 months of our operating costs into the Reserve fund.

This transfer will bring the total reserve fund to a total of \$850.000 pesos.

The reserve fund is restricted according to the LCS Constitution to the following:

- Emergency capital repairs or replacements in excess of 2% of the annual budget;
- Employee severance;
- Other uses at the discretion of the membership and determined at an AGM or an Extraordinary Meeting called for that purpose.

In accordance with the constitution this AGM is required to ratify the Board’s decision to transfer 100,000 pesos to

the Reserve Fund.

*Moved by Tim Boardman seconded by Nancy Creevan to ratify 100,000 MXN to be transferred to the Reserve Fund. Membership unanimously approved. Motion carried.*

12. Report on Annual Objectives & Presentation of Draft Campus Master Plan

President Carole Wolff updated the membership on the annual objectives and accomplishments of the standing committees at LCS.

13. Election of Board Officers & Directors-at-Large Ratification

The Chair of the Nominating Committee, Nancy Creevan, was introduced.

There are Vice President & Treasurer and three Director-at-Large positions open for election. The Candidates for Vice President and Treasurer and the Director at Large as put forward by the Nominating Committee were introduced:

- Vice President - Sandy Eileen Britton (2<sup>st</sup> term to 2021)
- Treasurer - Andrew Timothy Boardman (1<sup>st</sup> term to 2021),
- Janis Sirany (2<sup>nd</sup> term to 2021).
- Howard Feldstein (1st term to 2021);
- Steve Balfour (1<sup>st</sup> term 2021).

Nancy Creevan asked if there were in nominations from the floor: None were raised.

*Moved by Kate Howell seconded by Howard Feldstein to elect the Vice President, Treasurer and three Director-at-large positions by acclamation since there were no other candidates. Membership unanimously approved. Motion carried.*

There are two Director-at-large positions requiring ratification of their appointment to the Board.

- Mac Whyte (1<sup>st</sup> term to 2020);
- Virginia Pelzl (1<sup>st</sup> term to 2020);.

*Moved by Nancy Creevan seconded by Larry Barnhart to ratify the appointment of Mac Whyte and Virginia Pelzi and Steve Balfour as Directors-at-large. Membership unanimously approved. Motion carried.*

The Lake Chapala Society A.C., 2019 Board members are:

- President: Carole Jeanne Wolff (1<sup>st</sup> term to 2020);
- Vice President: Sandy Eileen Britton (1<sup>st</sup> term to 2021);
- Treasurer: Andrew Timothy Boardman (1st term to 2021);
- Secretary: George William Radford (1st term to 2020);

Ben White: Past President

Director-at-Large:

Director - Howard Feldstein (1st term to 2021);

Director - Steve Balfour (1<sup>st</sup> term 2021);

Director - Janis Sirany (2<sup>nd</sup> term to 2021);

Director - Philip Newbold (1<sup>st</sup> term to 2020);

Director - Elizabeth Ramirez ( 1st term 2020);

Director - Mac Whyte (1<sup>st</sup> term to 2020);

Director - Virginia Pelzl (1<sup>st</sup> term to 2020).

14. Granting Power of Attorney

According to the constitution, section 9.02 the power of attorney is granted to the President, Carole Jeanne Wolff who may re-assign it to any of the following: Vice President - Sandy Ellen Britton, Secretary - George William Radford, Treasurer - Andrew Timothy Boardman, or Executive Director - Terence Quintin Vidal.

The General Assembly granted to the President of the BOARD OF DIRECTORS, Carole Jeanne Wolff to be exercised individually and to the rest of the BOARD OF DIRECTORS Vice President Sandy Ellen Britton , Secretary George William Radford, Treasurer Andrew Timothy Boardman Executive Director Terence Quintin Vidal to be exercise by a minimum of 2 of the integrants: GENERAL JUDICIAL POWER OF ATTORNEY, WITH MANAGEMENT AUTHORITY, AS WELL AS TO SUBSCRIBE, EVALUATE AND ENDORSE CREDIT TITLES, OPEN, CLOSE, SIGN CHEQUES AND MAKE WIRE TRANSFERS IN BANK AND INVESTMENT ACCOUNTS, WITH THE AUTHORITY TO GRANT AND REVOKE POWERS OF ATTORNEY, in terms of Article 2554 two thousand five hundred fifty-four of the Federal Civil Code and the applicable Article 2207 two thousand two hundred and seven of the Jalisco's Civil Code and related articles of the remaining Mexican States, with express authority to file injunctions and to file criminal complaints and to act together with the Public Prosecutor.

The assembly appointed Carole Jeanne Wolff and George William Radford to appear jointly or individually, to formalize the agreements of the general assembly and request to set in the Notary's Protocol one sample of the minutes.

15. Annual General Meeting authorization for the Board of Directors to approve the 2019 AGM Minutes. *Moved by George Radford; seconded by Margo Jones to authorize the Board to review and approve the minutes of the Annual General Meeting of March 19, 2019 at the next monthly Board meeting. Membership voted unanimously. Motion carried.*

16. Adjournment

*Moved by Howard Feldstein, that the meeting be adjourned at 11:20 A.M..*