

**LAKE CHAPALA SOCIETY A.C.
ANNUAL GENERAL MEETING
WEDNESDAY, MARCH 17, 2016
LCS COURTYARD**

1. Call to Order

The meeting was called to order at 10:00 AM by President, Ben White. 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 60.

2. Establishment of Quorum

The meeting was reconvened 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 Ben read the Reading of the Order of the Day.

4. Adoption of Agenda

Moved by Nancy Creevan; seconded by Michael Searles, to approve the agenda as distributed. Membership voted unanimously. Motion Carried.

5. Adoption of Minutes

Moved by Michael Searles; seconded by Emile Badawy to approve, the minutes of the Annual General Meeting of March 11, 2015. Membership voted unanimously. Motion Carried.

6. President's Report

President Ben's focus has been in three areas since he came into office for 2014-2016. They have been:

- Improved the perception of the LCS in the eyes of members and the greater lakeside community.
- Last year at the Annual General Meeting members voted to change the LCS mission statement to "promote the active participation of lakesides' inhabitants to improve their quality of life." By making this commitment we signaled to the community that our focus was based not just the ex-patriots, but everyone living at lakeside.
- Optimize programs and services to assure continued relevance.
 - Offered programs at Career Day at the Chapala Preparatoria.
 - Children's Art Program expanded the Art Camp.
 - Lakeside Little Theatre teamed with the Children's Art Program and produce the first Children's Theatre Summer Camp this past August.
 - Initiated a series of events that included 60 Years of Service; a Student Aid Summit; 1st Annual Mariachi Festival featured Mariachi Internacional Guadalajara and Mariachi Estrellas de Chula Vista from San Diego California; the Children's Art program teamed with Ajijic Society for the Arts for the 5th Annual Open Studios; and LCS hosted the Arts & Crafts Fair featuring local artists and showcasing up and coming Children's Art Program artists Orlando Ibarra, Karina Gutierrez and Saul Garcia.

- LCS offered a vast array of services for members with more than thirty programs available at LCS each week; working with INAPAN to facilitate acquisition of cards for special discounts; invited Segura Popular to attend our health fair to explain the benefits of the program and enroll members in their health insurance plan.
 - Unveiled a new web site with a much more welcoming and current user interface to help to help keep our members informed of all of our offerings and events.
 - In September Café Corazon opened on campus to service our members and this past January they renewed their contract for one year.
- Re-engineer LCS campus infrastructure to meet current and future needs.
- LCS purchased Ruth Darling lakefront property which now will enable LCS to build new facilities in the future without interruption of services and retention of our existing green space. To note, the funds for the purchase came from two generous donors who believe in the need for LCS to expand to meet its mission.
 - LCS offered our members this past August the opportunity to hear from Notario #2 about wills in Mexico. Since August is the time when wills are offered at half price to initiate more estate planning to assist in our sustainability in the future for our long term plans.
- In summation this year LCS is augmenting existing offerings and implementing new and improved programs to support our mission. This will require additional funding. Membership dues, donations and fundraisers are key components to help the finance our mission. To that end the LCS has recently formed an Annual Giving Fund with the goal of raising 400,000 pesos this year. It will be 11% of our total 2016 operating budget. If each member contributed 200 pesos we would meet this goal. President Ben requested that every member donate. Members can contribute in two ways: using the envelope enclosed in the directory and drop off at the LCS Service Office or go on line to the LCS website and click on donate to annual giving and make your donation there.

7. Ratification of 2015 Financial Report

The Treasurer, Michael Searles, provided a financial report for 2015 and noted that LCS finished the year with a surplus of \$3,334,555 pesos and had increased its net asset value to over twenty (20) million pesos.

Moved by Michael Searles; seconded by Howard Feldstein, that in accordance with the Constitution, the audited financial statements for 2015 & 2014 with accompanying footnotes as presented to the members be ratified. Membership voted unanimously. Motion Carried.

8. Receipt of 2016 Budget Projections

The Treasurer, Michael Searles, presented the 2016 budget as approved by the Board.

In accordance with the Constitution, the financial projections for 2016 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. Received Report from External Financial Auditor for 2015 and Ratified appointment of External Auditor 2016

Cate Howell, Vice-President standing in for Matthew Butler, Chairperson of the LCS Board Audit Committee reported on the Audit.

- Auditor's Opinion on Financial Statements

Cate Howell introduced Aldo Martinez and read the opinion issued by Salles Sainz-Grant Thornton with respect to the financial statements for the year ended December 31, 2015 as follows:

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, 2015 and 2014, and its financial performance, and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards.

Cate Howell, standing in for Matthew Butler, Chair of the Audit Committee proposed the following Resolution:

- 2015 AGM Resolution re Ratification of Appointment of Auditors

Moved by Cate Howell; seconded by Peter Soderman to ratify the appointment of Salles Sainz Grant Thornton S.C. as auditors of The Lake Chapala Society A.C. for the financial year ending December 31, 2015. Membership voted unanimously. Motion carried.

10. Ratification of Membership Categories & Dues

- The Board did not recommend any changes to membership categories & dues for 2016.
- President Ben White on behalf of the Board gave a Life Membership to Marianne O'Halloran for her 22 years of service to LCS..
- Terry Vidal, Executive Director acknowledged the following for their outstanding service to LCS to Robert Katz, Glorine Barnhardt and Chuck Ball.

11. Ratification of Reserve Fund Deposit

Michael Searles, Treasurer spoke on behalf of the Board which has approved the allocation of \$50,000 pesos to the reserve fund to continue our 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 \$600,000 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 \$50,000 pesos to the Reserve Fund.

Moved by Michael Searles seconded by Nancy Creeven to ratify 50,000 MXN to be transferred to the Reserve Fund. Membership unanimously approved. Motion carried.

12. Report on Annual Objectives

President Ben White updated the membership on the annual objectives of the standing committees at LCS as follows:

- Audit Committee
 - Oversight of successful completion of the external audit by Grant-Thornton;
 - Coordinated LCS response to audit findings;
 - Along with Treasurer, Michael Searles coordinating with Grant-Thornton to develop final report with a clean opinion of LCS finances for 2015.

- Campus Committee
 - Submitted to the Board a conceptual building design to including classrooms, meeting space, education needs and space requirements to integrate the English and Spanish libraries ;
 - At a special meeting of the Board the conceptual design was approved, the Board instructed the committee to obtain cost estimates for the approved design;
 - The committee developed a Request for Proposal (RFP), identified qualified architectural firms and sent out RFP;
 - The committee has received three responses and is in the process of evaluating proposals.

- Community Committee:
 - Developed a marketing plan that includes three segments-soon to be retirees and retirees 0-2 years, lakeside residents of 2+ years, Mexican Business and Professionals, Mexican families living at Lakeside, and recurring members and donors;
 - Marketing plan was approved by the Board on October 2015;
 - New member orientation class is being offered every three months and has been well received.

- Fund Development Committee
 - Annual Giving Fund has been approved by the Board;
 - Ad-Hoc committee has been established in anticipation of a Capital Campaign to re-engineer the LCS campus based on the work of the Campus Committee;
 - Coordinating with Community Committee to develop strategies to increase membership and update/develop marketing brochures.

- Program Committee
 - Based on one of the goals of the marketing plan to implement a adult continuing education program the committee has developed the policy and structure to implement a pilot program this summer. Peter Soderman stated that this program requires participation only if a member.

- Finance Committee
 - Implemented procedures to accompany the policies to strengthen internal controls and ensure financial assets are managed properly;
 - Performed the annual Internal Control Questionnaire in conjunction with the Audit Committee of the Board;
 - Reviewed the current investment vehicles used by LCS and made recommendations that will yield a higher return without an increase in risk;
 - Participated in the preparation, review and adoption of 2016 budget;
 - Worked with Grant-Thornton on the 2nd external audit of LCS financial records.

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

The Chair of the Nominating Committee, Nancy Creevan, was introduced. She presented the candidates being put forward by the Nominating Committee:

- President: Frank Benjamin White (2nd term to 2018);
- Secretary: Carole Jeanne Wolff (2nd term to 2018).

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

There are five Director at Large positions open for election. Each of the three candidates for Director at Large were introduced:

- Geoffrey John Kay (1st term 2018);
- Monica Lilianna Powers (1st term 2018);
- George William Radford (1st term 2018);
- Matthew Butler (2nd term to 2018).

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

Moved by Howard Feldstein seconded by David Huff to elect the President, Secretary; and the Three Directors at Large by acclamation since there were no other candidates. Membership unanimously approved. Motion carried.

The Lake Chapala Society A.C., 2016 Board members are:

President: Frank Benjamin White (2st term to 2018);
Vice President: Catherine Carroll Howell (1st term to 2017);
Treasurer: Michael Ross Searles (2nd term to 2017);
Secretary: Carole Jeanne Wolff (2nd term to 2018);

Director-at-Large:

Director - Barbara Angell Hildt (1st term 2017);
Director - Garry Neil Musgrave (1st term 2017);
Director - Alfred Earl Harland (2nd term to 2017);
Director - Yolanda Martinez(1st term 2017);
Director - Monica Liliana Powers (1st term to 2018);
Director - Lois Ann Cugini* (3rd term 2017);
Director - Geoffrey John Kaye (1st term to 2018);
Director - George William Radford (1st term to 2018);
Director - Matthew Butler (2nd term to 2018).

14. Granting Power of Attorney

According to the constitution, section 9.02 the power of attorney is granted to the President, Frank Benjamin White who may reassign it to any of the following: Vice President Catherine Howell, Secretary Carole Jeanne Wolff, Treasurer Michael Ross Searles, or Executive Director Terence Quintin Vidal.

15. Reading and Adoption of 2016 AGM Minutes

Moved by Carole Wolff; seconded by Dee Dee Camhi to authorize the Board to review and approve the minutes of the Annual General Meeting of March 17, 2016. Membership voted unanimously. Motion Carried.

16. Adjournment

Moved by Ben White, seconded by Howard Feldstein , that the meeting be adjourned at 11: 05 AM.

Minutes prepared by Carole Wolff, LCS Secretary