

**LAKE CHAPALA SOCIETY A.C.
ANNUAL GENERAL MEETING
Tuesday, MARCH 16, 2021
10:00 AM - Noon**

Note: this meeting will be a Zoom Meeting only
Members in good standing must register in advance
Notification will be provided to all who register
To register please visit the LCS website
<https://lakechapalasociety.com>

1. Call to Order
2. Establishment of Quorum
3. Reading of Order of the Day
4. Adoption of Agenda
5. Receipt of Minutes
6. President's Report
 President Steve Balfour
7. Ratification of 2020 Financial Report
 Treasurer Tim Boardman
8. Receipt of 2021 Budget Projections
 Treasurer Tim Boardman
9. 2020 External Audit Report and ratification of Grant Thornton as external auditors
 Audit Chair Brian Dalziel
10. Ratification of Membership Categories & Dues
11. Ratification of Reserve Fund Deposit
 Treasurer Tim Boardman
12. Election of Board Officers & Directors-at-Large
 Nominating Committee Chair Nancy Creevan
13. Granting Power of Attorney
14. LCS 2.0 Update - Larry Barnhardt
 Major accomplishments of LCS 2.0 in 2020
 Priorities for LCS 2.0 in 2021
15. Annual General Meeting authorization for the Board of Directors
 to approve the 2021 AGM Minutes.
16. Adjournment

**LAKE CHAPALA SOCIETY A.C.
ANNUAL GENERAL MEETING
THURSDAY AUGUST 20TH, 2020
By teleconference using the ZOOM application**

Note: Members in good standing were required to pre register and sign in to the Annual General Meeting in order to vote on motions and raise items from the floor. The names of all members attending are included as an appendix to these minutes.

1. Call to Order

The meeting was called to order at 10:00 AM by President, Carole Jeanne Wolff. As there was not 50% of the membership signed in at the meeting it was recessed for 30 minutes to obtain an alternate quorum of 50+1 (fifty plus one) in compliance with Mexican law and the LCS constitution. At 10:30 A.M.attendance was reported as **179**.

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. Adoption of Agenda

President Carole Jeanne Wolff read the Order of the Day.

Moved by Carole Jeanne Wolff; seconded by Larry John Barnhardt, to approve the agenda as distributed. Membership voted unanimously. Motion Carried.

4. Receipt of Minutes

*Moved by George William Radford; seconded by Carole Jeanne Wolff to acknowledge the receipt of the minutes of the Annual General Meeting of March 17, 2019 as approved by the Board of Directors. There were **84** votes to approve and one nay vote. Motion carried.*

5. President's Report

President Carole Jeanne Wolff reviewed highlights of LCS activities and contributions to the Lakeside community during 2019 and 2020. The President expressed her optimism on the LCS's ability to weather the Covid pandemic and emerge even stronger than before.

Carole Jeane Wolff indicated she would not be seeking a second term and would retire from the presidency at this meeting.

6. Ratification of the 2019 Financial Report

Treasurer Andrew Timothy Boardman reported that the LCS finished the 2019 fiscal year with an operating deficit of \$322,373 pesos and had utilized \$403,550 pesos of restricted funds mainly used on Student Aid. The deficiency resulted largely from repairs and renovations done on campus including the Neill James Patio and finiquitos paid to retiring staff members. LCS ended the year with a net asset value of \$25,468,000. pesos.

Moved by Andrew Timothy Boardman; seconded by Brian Thomas Dalziel, that in accordance with the Constitution, the audited financial statements for 2019 with accompanying footnotes, be ratified by the members as presented. Membership voted unanimously to ratify the financial reports as submitted. Motion carried.

7. Receipt of 2020 Budget Projections

The Treasurer, Andrew Timothy Boardman, presented the 2020 budget as approved by the Board. He cautioned that as the budget was prepared in October 2019, in advance of the Covid pandemic disruption, the figures are significantly unrealistic.

In accordance with the Constitution, the financial projections for 2020 must be presented to and received by the members each year at the AGM. This item does not require a motion or a vote.

8. 2019 External Audit Report

The Audit Committee Chairperson, Brian Thomas Dalziel reported that the annual audit report from Salles Sainz Grant Thornton the External Financial Auditor for 2019 had been received and reviewed. Their report was summarized by the following quotation from their report;

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, 2019, and its financial performance, and its cash flows for the year then ended, in accordance with Mexican Financial Reporting Standards.”

Moved by Brian Thomas Dalziel and seconded by Michael Ross Searles to ratify the appointment of Salles Sainz Grant Thornton for the 2020 Financial Audit. Membership voted unanimously. Motion carried.

9. Ratification of Membership Categories & Dues

➤ *Moved by Andrew Timothy Boardman; seconded by Michael Ross Searles, that the dues structure defined below be used for fiscal 2020. Membership voted unanimously to ratify the dues. Motion carried.*

- Full Annual.....760 pesos per year;
- Monthly membership.....260 pesos per month;
- Senior (age 79 and over).....600 pesos per year;
- Student.....50 pesos per year;
- Business.....5,000 to 25,000 pesos per year.

10. Ratification of Reserve Fund Deposit

Due to uncertainty caused by COVID, the Treasurer Andrew Timothy Boardman, made the recommendation to the Board, and the Board agreed, that no transfer to the reserve fund be made in the current year.

The reserve fund is restricted, according to the LCS Constitution, to the following uses: emergency capital repairs or replacements in excess of 2% of the annual budget, employee severance or other uses at the discretion of

membership as determined at an AGM or an extraordinary meeting called for that purpose.

The accumulated reserve fund of the LCS currently stands at \$850,000 pesos.

Moved by Andrew Timothy Boardman; seconded by Michael Ross Searles to ratify that for 2020 no funds be transferred to the Reserve Fund. Membership unanimously approved. Motion carried.

11. Election of Board Officers & Directors-at-Large and Ratification

The Chair of the Nominating Committee, Nancy Creevan, introduced the positions requiring election and the candidates recommended by the Nominating Committee.

Elections were held for President, Secretary and 4 Directors at Large to each serve two-year terms and one Director at Large to fill an opening to serve the remainder of a one-year term.

Stephen Irvin Balfour, candidate for a first term as President.

George William Radford, candidate for a second term as Secretary.

Michael Ross Searles and Richard Joseph Chase, candidates for first two year terms as Directors at Large.

And Yolanda Martinez Llamas, who will fill the remainder of a one year term that is currently open.

Brian Thomas Dalziel and Elizabeth Villasenor Ramirez, candidates for second term as Directors at Large.

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

Moved by Nancy Creevan; seconded by Alfredo Perez that the candidates for uncontested seats of:

President – Stephen Irvin Balfour

Secretary – George William Radford

Directors at Large –

Richard Joseph Chase

Brian Thomas Dalziel

Yolanda Martinez Llamas

Michael Ross Searles

And Elizabeth Villasenor Ramirez

be elected to their positions by acclamation. Membership voted unanimously. Motion carried.

Moved by Nancy Creevan; seconded by George William Radford to ratify board appointments to complete existing terms - Howard Feldstein as Vice President, Christy Carter Caldwell, Antoinette Francis Brahm and Larry Barnhardt as members at large. Membership voted unanimously. Motion carried.

The Lake Chapala Society A.C., 2020 Board members: They are:

President: Stephen Irvin Balfour (1 term to 2022);

Vice President: Howard Feldstein (filling a term to 2021);

Treasurer; Andrew Timothy Boardman; (1st term to 2021);

Secretary: George William Radford (filling 2nd term to 2022);

Director – Larry John Barnhardt (1st term through 2021

Director – Antoinette Francis Brahm (1st term to 2021);

Director - Christy Carter Caldwell (1st term to 2021);

Director - Brian Thomas Dalziel (2nd term 2022);

Director - Michael Ross Searles (1 term 2022);

Director - Elizabeth Villasenor Ramirez (1st term to 2022);

Director – Richard Joseph Chase (1st term to 2022);

Director – Yolanda Martinez Llamas (1 term 2021);

12. Granting Power of Attorney

According to the constitution of the Lake Chapala Society A.C., section 9.02, this power of attorney is granted to the President, Steven Irwin Balfour who may re-assign it to any of the following: Vice President - Howard Feldstien, Secretary - George William Radford, Treasurer - Andrew Timothy Boardman.

The General Assembly granted to the President of the BOARD OF DIRECTORS, Stephen Irwin Balfour to be exercised individually and to the rest of the BOARD OF DIRECTORS Vice President Howard Feldstien, Secretary George William Radford, Treasurer Andrew Timothy Boardman to be exercised 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 President, Steven Irwin Balfour and Secretary, 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.

Annual General Meeting authorization for the Board of Directors to approve the 2019 AGM Minutes.
Moved by George Radford; seconded by Brian Thomas Danziel to authorize the Board to review and approve the minutes of the Annual General Meeting of August 20th, 2020 at the next monthly Board meeting on September 7th, 2020. Membership voted unanimously. Motion carried.

13. LCS 2.0

Steve Balfour, Executive Director, and Larry Barnhardt, Director at Large presented an overview of the organization's long-range plan dubbed LCS 2.0. This plan was the result of the work of a Master Redevelopment Planning Taskforce, made up of chairs and members of the standing committees of the Board. The scope of work initially dealt with buildings and grounds, but as the task force did its work, the scope was expanded to include Organizational Development, Community Engagement, Program Development, Campus Redevelopment, and Fund Advancement. After three months of work, this task force agreed to three overarching themes including greater integration and collaboration between and among the foreign and Mexican communities, creating a culture of continuous quality improvement and expanded use of information technology. In addition, the task force recommended 42 far-reaching goals that were unanimously approved by the Board of Directors in March of 2019.

*Moved by Larry John Barnhardt; seconded by Carole Jeanne Wolff that the membership accept the LCS 2.0 Long Range Plan as proposed and the board's commitment to provide regular updates of progress and to solicit input from members. Membership voted 87 aye and 2 nay. **Motion carried.***

14. Adjournment

Moved by Howard Feldstein; seconded by Ricahrd Joseph Chase that the meeting be adjourned at 11:40 A.M. Membership voted unanimously. Motion carried.

<p style="text-align: center;">LAKE CHAPALA SOCIETY A.C.</p> <p style="text-align: center;">ANNUAL GENERAL ORDINARY MEETING</p> <p style="text-align: center;">THURSDAY, AUGUST 20TH, 2020</p> <p style="text-align: center;">By teleconference using the ZOOM application</p> <p>1. <u>Call to Order</u></p> <p>The meeting was called to order at 10:00 AM by President, Carole Jeanne 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 reported as 179.</p> <p>2. <u>Establishment of Quorum</u></p> <p>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.</p> <p>3. <u>Adoption of Agenda</u></p> <p>Moved by Carole Jeanne Wolff; seconded by Larry John Barnhardt, to approve the agenda as distributed. Membership voted unanimously. Motion Carried.</p> <p>4. <u>Receipt of Minutes</u></p> <p>Moved by George William Radford; seconded by Carole Jeanne Wolff to acknowledge the receipt of the minutes of the Annual General Meeting of March 17, 2019 as approved by the Board of Directors. There were 84 votes to approve and one nay vote.</p> <p>5. <u>President's Report</u></p> <p>President Carole Jeanne Wolff reviewed highlights of LCS activities and contributions to the Lakeside</p>	<p style="text-align: center;">LAKE CHAPALA SOCIETY, A.C.</p> <p style="text-align: center;">ASAMBLEA GENERAL ORDINARIA ANUAL</p> <p style="text-align: center;">MIERCOLES 20 DE AGOSTO DE 2020</p> <p style="text-align: center;">Mediante teleconferencia usando la aplicación</p> <p style="text-align: center;">Zoom</p> <p>1. <u>Convocatoria</u></p> <p>La asamblea había sido convocada por la Presidenta del Consejo Directivo señora Carole Jeanne Wolff, para ser sostenida a las 10:00 a.m. Al no estar presentes el 50% de los miembros, la asamblea se aplazó por 30 minutos en cumplimiento con las leyes Mexicanas y los estatutos de LCS. A las 10:30 había 179 socios.</p> <p>2. <u>Comprobación de Quórum</u></p> <p>La asamblea se reanudó a las 10:30 a.m., una vez que el Secretario confirmó que la asistencia del quórum alterno era mayor a los 50 + 1 socios requeridos.</p> <p>3. <u>Aprobación del Orden del Día.</u></p> <p>Carole Jeanne Wolff, secundada por Larry John Barnhardt promovió una moción para aprobar la Orden del Día, la cual los socios aprobaron por votación unánime.</p> <p>4. <u>Recepción de Acta de Asamblea</u></p> <p>George William Radford, secundada por Carole Jeanne Wolff promovió una moción para confirmar la recepción de la Minuta de la Asamblea General Anual del 17 de Marzo de 2019 tal y como se aprobó durante la misma. Hubieron 84 votaciones para aprobarla y ningún voto en contra.</p> <p>5. <u>Informe del Presidente</u></p> <p>La Presidenta Carole Jeanne Wolff rindió informe de las actividades más destacadas y las contribuciones a</p>
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community during 2019 and 2020.

The President expressed her optimism on the LCS's ability to weather the Covid pandemic and emerge even stronger than before.

Carole Jeane Wolff indicated she would not be seeking a second term and would retire from the presidency at this meeting.

6. Ratification of 2019 Financial Report

Treasurer Andrew Timothy Boardman reported that the LCS finished the 2019 fiscal year with an operating deficit of \$322,373 pesos and had utilized \$403,550 pesos of restricted funds mainly used on Student Aid. The deficiency resulted largely from repairs and renovations done on campus including the Neill James Patio and finiquitos paid to retiring staff members. LCS ended the year with a net asset value of \$25,468,00. pesos.

Moved by Andrew Timothy Boardman; seconded by Brian Thomas Dalziel, that in accordance with the Constitution, the audited financial statements for 2019 with accompanying footnotes, be ratified by the members as presented. Membership voted unanimously to ratify the financial reports as submitted. Motion carried.

7. Receipt of 2020 Budget Projections

The Treasurer, Andrew Timothy Boardman, presented the 2020 budget as approved by the Board. He cautioned that as the budget was prepared in October 2019, in advance of the Covid pandemic disruption, the figures are significantly unrealistic.

In accordance with the Constitution, the financial

la comunidad de la Ribera durante 2019 y 2020.

La presidenta expresó su optimismo sobre la capacidad de la LCS para sobrellevar la pandemia de Covid y emerger aún más fuerte que antes.

Carole Jeane Wolff indicó que no buscaría un segundo mandato y que se retiraría de la presidencia en esta reunión.

6. Ratificación del Informe Financiero 2018

El tesorero Andrew Timothy Boardman informó que la LCS terminó el año fiscal 2019 con un déficit operativo de \$ 322,373 pesos y había utilizado \$ 403,550 pesos de fondos restringidos utilizados principalmente en Ayuda Estudiantil. El déficit resultó en gran parte de las reparaciones y renovaciones realizadas en el campus, incluido el patio Neill James y los finiquitos pagados a los miembros del personal que se jubilan. LCS finalizó el año con un valor liquidativo de \$25,468,00. pesos.

Movido por Andrew Timothy Boardman; secundado por Brian Thomas Dalziel, que de acuerdo con la Constitución, los estados financieros auditados para 2019 con las notas a pie de página adjuntas, sean ratificados por los miembros tal como se presentan. La membresía votó por unanimidad para ratificar los informes financieros presentados. Aprobada por unanimidad de votos.

7. Recepción del Presupuesto 2019

El Tesorero, Andrew Timothy Boardman presentó el presupuesto 2020 tal y como fue aprobado por el Consejo. Advirtió que, dado que el presupuesto se preparó en octubre de 2019, antes de la interrupción de la pandemia de Covid, las cifras son significativamente poco realistas.

De acuerdo con los Estatutos, las proyecciones

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.

8. 2019 External Audit Report

The Audit Committee Chairperson, Brian Thomas Dalziel reported that the annual audit report from Salles Sainz Grant Thornton the External Financial Auditor for 2019 had been received and reviewed. Their report was summarized by the following quotation from their report;

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, 2019, and its financial performance, and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards.”

Moved by Brian Thomas Dalziel and seconded by Michael Ross Searles to ratify the appointment of Salles Sainz Grant Thornton for the 2020 Financial Audit. Membership voted unanimously.

9. Ratification of Membership Categories & Dues

- Moved by Andrew Timothy Boardman; seconded by Michael Ross, that the dues structure defined below be used for fiscal 2020. Membership voted unanimously to ratify the dues.

- Full Annual.....760

financieras para 2019 deben ser presentadas y recibidas por los socios anualmente durante la Asamblea General Anual, sin que ello requiera la presentación de una moción o votación.

8. Informe de la Auditoría Externa 2019

El presidente del Comité de Auditoría, Brian Thomas Dalziel, informó que se había recibido y revisado el informe de auditoría anual de Salles Sainz Grant Thornton, el Auditor Financiero Externo para 2019. Su informe fue resumido por la siguiente cita de su informe;

Opinión no calificada

“En nuestra opinión, los estados financieros presentan de manera justa, en todos los aspectos materiales, la posición financiera de The Lake Chapala Society, AC, al 31 de diciembre de 2019, y su desempeño financiero, y sus flujos de efectivo para los años que terminaron, en de acuerdo con las Normas Mexicanas de Información Financiera”.

Promovido por Brian Thomas Dalziel y secundado por Michael Ross Searles para ratificar el nombramiento de Salles Sainz Grant Thornton para la Auditoría Financiera 2020. La membresía votó por unanimidad..

9. Ratificación de Categorías de Membresías y Cuotas.

- Andrew Timothy Boardman promovió una moción que fue secundada por Michael Ross para modificar la estructura de las cuotas para 2020 se aprobara de conforme a la siguiente estructura. Aprobada por unanimidad de votos.

- Cuota anual.....\$ 760.00 Pesos

<p>pesos;</p> <ul style="list-style-type: none"> • Monthly membership.....260 pesos per month; • Senior (age 79 and over).....600 pesos; • Student.....50 pesos • Business.....5,000 to 25,000 pesos per year 	<ul style="list-style-type: none"> • Membresía Mensual.....\$ 260.00 Pesos Mensuales • Membresía Senior (Mayores de 79 años).....\$ 600.00 Pesos • Membresía para Estudiantes.....\$ 50.00 Pesos • Membresía Empresarial.....de \$ 5,000.00 a 25,000 Pesos Anuales
<p>10. <u>Ratification of Reserve Fund Deposit</u></p> <p>Due to uncertainty caused by COVID, the Treasurer Andrew Timothy Boardman, made the recommendation to the Board, and the Board agreed, that no transfer to the reserve fund be made in the current year.</p> <p>The reserve fund is restricted, according to the LCS Constitution, to the following uses: emergency capital repairs or replacements in excess of 2% of the annual budget, employee severance or other uses at the discretion of membership as determined at an AGM or an extraordinary meeting called for that purpose.</p> <p>The accumulated reserve fund of the LCS currently stands at \$850,000 pesos.</p> <p>Moved by Andrew Timothy Boardman; seconded by Michael Ross Searles to ratify that for 2020 no funds be transferred to the Reserve Fund. Membership unanimously approved.</p>	<p>10. <u>Ratificación de depósito al de Fondo Reserva</u></p> <p>Debido a la incertidumbre causada por COVID, el Tesorero Andrew Timothy Boardman, hizo la recomendación a la Junta, y la Junta acordó que no se hiciera ninguna transferencia al fondo de reserva en el año en curso.</p> <p>El fondo de reserva está restringido, de acuerdo con la Constitución de la LCS, a los siguientes usos: reparaciones o reemplazos de capital de emergencia que excedan el 2% del presupuesto anual, despido de empleados u otros usos a discreción de la membresía según lo determinado en una AGM o una reunión convocada a tal efecto.</p> <p>El fondo de reserva acumulado de la LCS asciende actualmente a \$ 850.000 pesos.</p> <p>Movido por Andrew Timothy Boardman; secundado por Michael Ross Searles para ratificar que para 2020 no se transferirán fondos al Fondo de Reserva. Aprobada por unanimidad.</p>
<p>11. <u>Election of Board Officers & Directors-at-Large Ratification</u></p> <p>The Chair of the Nominating Committee, Nancy Elizabeth Creevan, was introduced.</p>	<p>11. <u>Elección de Consejeros y Ratificación de Directores Generales.</u></p> <p>Se presentó a Nancy Elizabeth Creevan, miembro del Comité de Nominaciones, quien a su vez, presentó a</p>

<p>Elections were held for President, Secretary and 4 Directors at Large to each serve two-year terms and one Director at Large to fill an opening to serve the remainder of a one-year term.</p> <p>They are;</p> <ul style="list-style-type: none"> ● Stephen Irvin Balfour, candidate for a first term as President. ● George William Radford, candidate for a second term as Secretary. ● Michael Ross Searles and Richard Joseph Chase, candidates for first two year terms as Directors at Large. ● And Yolanda Martinez Llamas, who will fill the remainder of a one year term that is currently open. ● Brian Thomas Dalziel and Elizabeth Villasenor Ramirez, candidates for second term as Directors at Large. ● Nancy Creevan asked if there were nominations from the floor: None were raised. <p>Moved by Nancy Creevan; seconded by Alfredo Perez that the candidates for uncontested seats of:</p> <ul style="list-style-type: none"> ● President – Stephen Irvin Balfour ● Secretary – George William Radford <p>Directors at Large –</p> <ul style="list-style-type: none"> ● Richard Joseph Chase ● Brian Thomas Dalziel ● Yolanda Martinez Llamas ● Michael Ross Searles ● And Elizabeth Villasenor Ramirez 	<p>los candidatos del Comité de Nominaciones:</p> <p>Se llevaron a cabo elecciones para Presidente, Secretario y 4 Directores en general para cada período de dos años y un Director en general para llenar una vacante para servir el resto del período de un año:</p> <ul style="list-style-type: none"> ● Stephen Irvin Balfour, candidato a un primer mandato como presidente. ● George William Radford, candidato a un segundo mandato como secretario. ● Michael Ross Searles y Richard Joseph Chase, candidatos para los primeros dos años como directores generales. ● Y Yolanda Martínez Llamas, que ocupará el resto de un plazo de un año que está abierto actualmente. ● Brian Thomas Dalziel y Elizabeth Villasenor Ramirez, candidatos para el segundo mandato como directores generales. ● Nancy Creevan preguntó si había nominaciones en la sala: ninguna se planteó. <p>Movido por Nancy Creevan; secundado por Alfredo Pérez que los candidatos a escaños indiscutidos de:</p> <ul style="list-style-type: none"> ●Presidente - Stephen Irvin Balfour ●Secretario - George William Radford <p>Directores en general -</p> <ul style="list-style-type: none"> ●Richard Joseph Chase ●Brian Thomas Dalziel ●Yolanda Martinez Llamas ●Michael Ross Searles ●Y Elizabeth Villasenor Ramirez
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<ul style="list-style-type: none"> • be elected to their positions by acclamation. Membership voted unanimously. Motion carried. <p>Moved by Nancy Creevan; seconded by George William Radford to ratify board appointments to complete existing terms - Howard Feldstein as Vice President, Christy Carter Caldwell, Antoinette Francis Brahm and Larry Barnhardt as members at large. Membership voted unanimously. Motion carried.</p> <p>Thet are;</p> <p><u>The Lake Chapala Society A.C., 2020 Board members are:</u></p> <p>President: Stephen Irvin Balfour (1 term to 2022);</p> <p>Vice President: Howard Feldstein (filling a term to 2021);</p> <p>Treasurer: Andrew Timothy Boardman (1st term to 2021);</p> <p>Secretary: George William Radford (filling 2nd term to 2022);</p> <p>Director – Larry John Barnhardt (1st term through 2021</p> <p>Director – Antoinette Francis Brahm (1st term to 2021);</p> <p>Director - Christy Carter Caldwell (1st term to 2021);</p> <p>Director - Brian Thomas Dalziel (2nd term 2022);</p> <p>Director - Michael Ross Searles (1 term 2022);</p> <p>Director - Elizabeth Villasenor Ramirez (1st term to 2022);</p> <p>Director – Richard Joseph Chase (1st term to 2022);</p> <p>Director – Yolanda Martinez Llamas (1 term 2021).</p> <p>12. <u>Granting Power of Attorney</u></p>	<p>Sean elegidos para sus cargos por aclamación. La membresía votó por unanimidad.</p> <p>Movido por Nancy Creevan; respaldado por George William Radford para ratificar los nombramientos de la junta para completar los términos existentes: Howard Feldstein como vicepresidente, Christy Carter Caldwell, Antoinette Francis Brahm y Larry Barnhardt como miembros generales. La membresía votó por unanimidad.</p> <p><u>Los miembros del consejo directivo de Lake Chapala Society A.C., 2020 son:</u></p> <p>Presidenta: Stephen Irvin Balfour (1er trimestre hasta 2022);</p> <p>Vicepresidente: Howard Feldstein (siendo su mandato hasta 2021);</p> <p>Tesorero: Andrew Timothy Boardman (1er trimestre hasta 2021);</p> <p>Secretario: George William Radford (siendo su mandato hasta 2022);</p> <p>Director – Larry John Barnhardt (1er termino hasta 2021)</p> <p>Director – Antoinette Francis Brahm (1er termino hasta 2021);</p> <p>Director - Christy Carter Caldwell (1er termino hasta 2021);</p> <p>Director - Brian Thomas Dalziel (2do termino hasta 2022);</p> <p>Director - Michael Ross Searles (1er termino hasta 2022);</p> <p>Director - Elizabeth Villasenor Ramirez (1er termino hasta 2022);</p> <p>Director – Richard Joseph Chase (1er termino hasta 2022);</p> <p>Director – Yolanda Martinez Llamas (1er termino hasta 2021)</p> <p>12. <u>Otorgamiento de Poder Notarial</u></p>
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<p>According to the constitution, section 9.02 the power of attorney is granted to the President, Steven Irwin Balfour who may re-assign it to any of the following: Vice President - Howard Feldstein, Secretary - George William Radford, Treasurer - Andrew Timothy Boardman.</p> <p>The General Assembly granted to the President of the BOARD OF DIRECTORS, Steven Irwin Balfour to be exercised individually and to the rest of the BOARD OF DIRECTORS Vice President Howard Feldstien, 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.</p> <p>13. Annual General Meeting authorization for the Board of Directors to approve the 2019 AGM</p>	<p>En cumplimiento con la Sección 9.02 de los Estatutos, se le confiere Poder Notarial al presidente, Steven Irwin Balfour quien a su vez lo puede delegar a cualquiera de los siguientes: Vice-Presidente Howard Feldstien, Secretario - George William Radford, Tesorero – Andrew Timothy.</p> <p>La Asamblea General otorgó al Presidente del CONSEJO DIRECTIVO, Steven Irwin Balfour para su ejercicio individual y al resto del CONSEJO DIRECTIVO, Vicepresidente Howard Feldstien, Secretario George William Radford, Tesorero Andrew Timothy Boardman, en el caso de estos últimos para ser ejercido por un mínimo de 2 integrantes: PODER JUDICIAL GENERAL DE PLEITOS Y COBRANZAS, PODER GENERAL PARA ACTOS DE ADMINISTRACIÓN, ASÍ COMO PODER GENERAL PARA EMITIR, OTORGAR, SUSCRIBIR, AVALAR y ENDOSAR TÍTULOS DE CRÉDITO, HACER TRANSFERENCIAS EN EL BANCO Y CUENTAS DE INVERSIÓN, CON LA AUTORIDAD PARA OTORGAR Y REVOCAR A PODERES, en los términos de lo dispuesto por el artículo 2554 dos mil quinientos cincuenta y cuatro del Código Civil Federal, 2207 dos mil doscientos siete del Código Civil del Estado de Jalisco y sus correlativos de los demás Estados de la República, con facultad de interponer y desistirse de toda clase de recursos y acciones legales, inclusive para promover y desistirse del juicio de amparo, formular querellas penales y constituirse en coadyuvante del Ministerio Público.</p> <p>13.- Solicitud de aprobación del Consejo de la Minuta de la Asamblea Anual General 2019.</p>
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<p>Minutes.</p> <p>Moved by George Radford; seconded by Brian Thomas Danziel to authorize the Board to review and approve the minutes of the Annual General Meeting of August 20th, 2020 at the next monthly Board meeting on September 7th, 2020. Membership voted unanimously. Motion carried.</p> <p>14.- LCS 2.0</p> <p>Steve Irwin Balfour, Executive Director, and Larry John Barnhardt, Director at Large presented an overview of the organization's long-range plan dubbed LCS 2.0. This plan was the result of the work of a Master Redevelopment Planning Taskforce, made up of chairs and members of the standing committees of the Board. The scope of work initially dealt with buildings and grounds, but as the task force did its work, the scope was expanded to include Organizational Development, Community Engagement, Program Development, Campus Redevelopment, and Fund Advancement. After three months of work, this task force agreed to three overarching themes including greater integration and collaboration between and among the foreign and Mexican communities, creating a culture of continuous quality improvement and expanded use of information technology. In addition, the task force recommended 42 far-reaching goals that were unanimously approved by the Board of Directors in March of 2019.</p> <p>Moved by Larry John Barnhardt; seconded by Carole Jeanne Wolff that the membership accept the LCS 2.0 Long Range Plan as proposed and the board's commitment to provide regular updates of progress and to solicit input from members. Membership voted 87 aye and 2 nay. Motion carried.</p> <p>The assembly appointed President, Steven Irwin Balfour and Secretary, George William Radford to appear jointly or individually, to formalize the</p>	<p>George William Radford, secundada por Brian Thomas Danziel promovió la moción para que el Consejo revisara y aprobara el acta de la Asamblea Anual General sostenida el 20 de agosto de 2020 en la siguiente Junta de Consejo el 7 de septiembre de 2020. Fue aprobado por unanimidad de votos.</p> <p>14.- LCS 2.0</p> <p>Steve Balfour, director ejecutivo, y Larry Barnhardt, director general presentaron una descripción general del plan a largo plazo de la organización denominado LCS 2.0. Este plan fue el resultado del trabajo de un Grupo de Trabajo de Planificación de Reurbanización Maestro, compuesto por presidentes y miembros de los comités permanentes de la Junta. El alcance del trabajo inicialmente se refería a edificios y terrenos, pero a medida que el grupo de trabajo realizaba su trabajo, el alcance se amplió para incluir Desarrollo Organizacional, Participación Comunitaria, Desarrollo de Programas, Reurbanización de Campus y Avance de Fondos. Después de tres meses de trabajo, este grupo de trabajo acordó tres temas generales que incluyen una mayor integración y colaboración entre las comunidades extranjeras y mexicanas, creando una cultura de mejora continua de la calidad y uso ampliado de la tecnología de la información. Además, el grupo de trabajo recomendó 42 metas de gran alcance que fueron aprobadas por unanimidad por la Junta Directiva en marzo de 2019.</p> <p>Movido por Larry John Barnhardt; Carole Jeanne Wolff secundó que los miembros aceptan el Plan LCS 2.0 a largo plazo propuesto y el compromiso de la junta de proporcionar actualizaciones periódicas del progreso y solicitar comentarios de los miembros. La membresía votó 87 sí y 2 no. Movimiento llevado.</p> <p>La Asamblea designó a los señores Steven Irwin Balfour presidente y George William Radford secretario, como delegados para que, en forma</p>
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<p>agreements of the general assembly and request to set in the Notary's Protocol one sample of the minutes.</p> <p>15. <u>Adjournment</u></p> <p>Moved by Howard Feldstein, seconded by Richard Joseph Chase that the meeting be adjourned at 11:40 A.M. Membership voted unanimously. Motion carried.</p>	<p>conjunta o separada, formalicen los acuerdos adoptados por la asamblea y protocolicen un ejemplar de la misma ante Notario Público.</p> <p>15.- Levantamiento de Asamblea.</p> <p>Howard Feldstein, secundado por Richard Joseph Chase promovió la moción para levantar la Asamblea a las 11:40 a.m. Aprobada por unanimidad de votos.</p>
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Presidente, Carole Jeanne Wolff.

Secretario, George William Radford



Annual General Meeting of The Lake Chapala Society, A.C.

2021 APPROVED BUDGET

INCOME		EXPENSES	
Membership	\$ 1,630,000	Salaries	\$2,753,600
Donations	\$ 2,154,700	Benefits	\$807,800
Skin Cancer donations	\$ 21,000	Other Taxes	\$200,000
Conecciones- Monthly Magazine	\$ 300,000	Marketing	\$20,000
Library	\$ 20,000	Professional Development	\$5,000
Video Operation	\$ 20,000	Legal	\$10,000
Medical	\$ 15,000	Bank & Paypal Fees	\$108,000
Spanish	\$ 240,000	2% Jalisco Taxes	\$59,000
Cultural programs	\$ 70,000	Audit/Accounting	\$170,000
Mudlarks Pottery	\$ 63,000	Office Supplies	\$21,000
Admin.	\$ 12,500	Equipment under \$10K	\$10,000
Other Programs	\$ 1,000	Telephone	\$28,500
Children's Art	\$ 10,000	Technology costs	\$120,000
	\$		
WEC Classes	-	Equip repair/services	\$3,000
ESL Books	\$ 40,000	Drinking water	\$6,000
Facilities Use	\$ 10,000	Printing	\$2,000
Cafe Operations	\$ 20,000	Reserve Fund	\$0
Investment Income	\$ 200,000	Fund Development	\$10,000
	\$		
Fundraising- WEC	-	Board Expenses	\$19,000
Bus Trips	\$ 25,000	Depreciation	\$125,000
Fundraising- Other	\$ 100,000	Electricity	\$85,000
Directory	\$ 251,500	Building Supplies/Repairs	\$135,000
		Garden/Pond Supplies/Repairs	\$16,000
		Janitorial Supplies	\$57,000
		Gas	\$1,500
		Property Taxes	\$20,700
		Water Rates	\$9,100
		Trash Removal & Septic	\$5,000
		Directory	\$115,000
		Programs	\$2,000
		ESL	\$40,000
		Spanish	\$55,000
		Children's Art	\$2,000
		Conecciones- Monthly Magazine	\$61,000
		Library	\$0
		Medical	\$1,500
		Video Operation	\$0
		Cultural Programs	\$10,000
		Mudlarks Pottery	\$45,000
		Fund-raising costs	\$65,000
TOTAL INCOME	\$ 5,203,700	TOTAL EXPENSES	\$5,203,700
Net Operating Surplus (Deficit)	\$ 0		

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	\$ 0	Library- Gillespie	\$ 0
Total restricted funds paid	<u>\$ 405,000</u>	Total Released	<u>\$405,000</u>



Salles Sainz

Grant Thornton

Financial statements and Independent
auditor's report

The Lake Chapala Society, A.C.

December 31, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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.

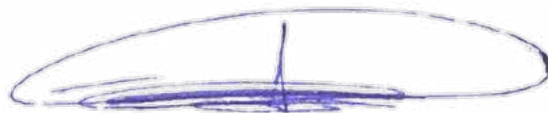
In preparing the financial statements, Management is responsible for assessing the Association's ability to continue as a going concern and using the going concern basis of accounting, or otherwise, making the appropriate disclosures.

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.



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

February 26, 2021.
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, 2020 and 2019
(Stated in Mexican Pesos)

	Notes	2020			2019
		Unrestricted	Temporarily restricted	Total	Total
ASSETS					
Current					
Cash and cash equivalents	5	\$ 1,234,336	\$ 5,426,866	\$ 6,661,202	\$ 6,799,454
Donation receivable		16,455	-	16,455	15,952
Total current assets		1,250,791	5,426,866	6,677,657	6,815,406
Non-current					
Properties and equipment, net	6	19,323,129	-	19,323,129	19,436,314
Total assets		\$ 20,573,920	\$ 5,426,866	\$ 26,000,786	\$ 26,251,720
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7	\$ 361,536	\$ -	\$ 361,536	\$ 472,044
Revenue from memberships to render	8	192,210	-	192,210	65,588
Total current liabilities		553,746	-	553,746	537,632
Long-term liabilities					
Employee benefits	9	299,767	-	299,767	245,629
Revenue from memberships to render	8	10,160	-	10,160	-
Total long-term liabilities		309,927	-	309,927	245,629
Total liabilities		863,673	-	863,673	783,261
PATRIMONY					
Accumulated surplus	10	19,710,247	-	19,710,247	19,931,960
Accumulated donations		-	4,576,866	4,576,866	4,686,499
Reserve fund		-	850,000	850,000	850,000
Total patrimony		19,710,247	5,426,866	25,137,113	25,468,459
Total liabilities and patrimony		\$ 20,573,920	\$ 5,426,866	\$ 26,000,786	\$ 26,251,720

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



Stephen Irvin Balfour
President



Andrew Timothy Boardman
Treasurer

Statements of activities

For the years ended December 31, 2020 and 2019

(Stated in Mexican Pesos)

	2020			2019
	Unrestricted	Temporarily restricted	Total	Total
Revenue:				
Memberships	\$ 1,552,428	\$ -	\$ 1,552,428	\$ 2,490,619
Donations in cash	2,452,260	275,367	2,727,627	1,050,624
Sales of articles	359,497	-	359,497	862,197
Other income	1,003,815	-	1,003,815	1,750,715
Total revenue	5,368,000	275,367	5,643,367	6,154,155
Operating expenses:				
Payroll expenses	3,554,820	-	3,554,820	3,734,328
Administrative expenses	463,812	-	463,812	652,170
Services expenses	520,725	-	520,725	1,633,588
Student aid	-	385,000	385,000	323,000
Maintenance expenses	952,719	-	952,719	645,890
Professional services	173,877	-	173,877	178,482
Depreciation	124,719	-	124,719	120,936
Federal zone fees	58,989	-	58,989	64,141
Total operating expenses	5,849,661	385,000	6,234,661	7,352,535
Comprehensive result of financing:				
Interest income	216,236	-	216,236	454,290
Foreign exchange gain	43,712	-	43,712	18,167
Total comprehensive result of financing	259,948	-	259,948	472,457
Deficit for the year	\$ (221,713)	\$ (109,633)	\$ (331,346)	\$ (725,923)
Changes in patrimony-				
	Unrestricted	Temporarily restricted Donations	Reserve Fund	Total
Balances as of December 31, 2019	\$ 19,931,960	\$ 4,686,499	\$ 850,000	\$ 25,468,459
Deficit for the year	(221,713)	(109,633)	-	(331,346)
Balances as of December 31, 2020	\$ 19,710,247	\$ 4,576,866	\$ 850,000	\$ 25,137,113

The accompanying notes are an integral part of these statements.



Stephen Irvin Balfour
President



Andrew Timothy Boardman
Treasurer

Statements of cash flows
For the years ended December 31, 2020 and 2019
 (Stated in Mexican Pesos)

	<u>2020</u>	<u>2019</u>
OPERATION:		
Deficit for the year	\$ (331,346)	\$ (725,923)
Items from investment activities:		
Depreciation	124,719	120,936
Employee benefits provision	54,138	(35,971)
Interest income	<u>(216,236)</u>	<u>(454,290)</u>
	<u>(368,725)</u>	<u>(1,095,248)</u>
Donation receivable	(503)	35,496
Accounts payable and accrued liabilities	(110,508)	130,662
Revenue from memberships to render	136,782	(331,977)
Net cash flows from operating activities	<u>(342,954)</u>	<u>(1,261,067)</u>
INVESTMENT:		
Acquisition of office equipment	(11,534)	-
Interest gained	216,236	454,290
Net cash flows used in investment activities	<u>204,702</u>	<u>454,290</u>
Decrease in cash and cash equivalents	(138,252)	(806,777)
Cash and cash equivalents, beginning of year	6,799,454	7,606,231
Cash and cash equivalents, end of year	<u>\$ 6,661,202</u>	<u>\$ 6,799,454</u>

The accompanying notes are an integral part of these statements.



Stephen Irvin Balfour
 President



Andrew Timothy Boardman
 Treasurer

Notes to the financial statements

December 31, 2020 and 2019

(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.

The results of this year's operations were heavily reliant on donations received from members rather than relying on revenue generating activities, which were curtailed compared to previous years due to the pandemic. The LCS facilities were kept closed from March to August 2020, causing it to stop receiving revenue generating income. The Association managed to stay in business and meet its financial obligations thanks to donations from the membership, when a plan was made to promote donations and obtain other resources to face the operating costs. The staff payroll was maintained, with no requirement for staff reductions or reductions in salaries. As of the date of authorization of the issuance of the financial statements, all the resource generating activities have not been reactivated, so the current main focus is to keep promoting donations to enable the Association to continue its normal operations.

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 Mr. Stephen Irvin Balfour (President) and Mr. Andrew Timothy Boardman (Treasurer) on February 26, 2021. 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 16, 2021.

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.

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 2019, 2018 and 2017 was 2.8300%, 4.8300% and 6.7730%, respectively; therefore, accumulated inflation for the prior three year period was 14.4330%.

The financial statements as of December 31, 2020 and 2019, 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 shown in next page:

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 used to be 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, 2020, which had no effect on the Association.

5. CASH AND CASH EQUIVALENTS

	2020	2019
Petty cash and banks	\$ 480,075	\$ 114,563
Short-term investments temporarily restricted	5,426,866	5,536,499
Short-term investments not restricted	754,261	1,148,392
	\$ 6,661,202	\$ 6,799,454

As of December 31, 2020 and 2019, the amounts of temporarily restricted investments with a defined objective were \$ 4,576,866 and \$ 4,686,499, respectively. Likewise, the amounts corresponding to a reserve fund were in the amount of \$ 850,000 in both years.

During the years ended December 31, 2020 and 2019, interest generated by investments were \$ 216,236 and \$ 454,290, respectively, which are presented as part of interest income in the statements of activities.

6. PROPERTIES AND EQUIPMENT

	2020	2019
Buildings	\$ 6,479,730	\$ 6,479,730
Office equipment	71,245	66,884
Other equipment	475,000	475,000
	<u>7,025,975</u>	<u>7,021,614</u>
Less - Accumulated depreciation	(5,242,127)	(5,124,581)
	<u>1,783,848</u>	<u>1,897,033</u>
Land	17,539,281	17,539,281
	<u>\$ 19,323,129</u>	<u>\$ 19,436,314</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

	2020	2019
Sundry creditors	\$ 194,301	\$ 332,204
Taxes payable	167,235	139,840
	<u>\$ 361,536</u>	<u>\$ 472,044</u>

8. REVENUE FROM MEMBERSHIPS TO RENDER

During 2020, to assist the Association several members renewed their memberships for more than 1 year.

Also, 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.

These prepayments received are 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, 2020 and 2019, amounted to \$ 202,370 and \$ 65,588, respectively.

9. EMPLOYEE BENEFITS

Severance and Retirement Payments-

At December 31, 2020 and December 31, 2019, 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, 2020 and December 31, 2019 the Association has seniority premium reserves of \$ 299,767 and \$ 245,629, respectively. The related seniority premium expense in 2020 and 2019 was \$ 54,138 and \$ 63,361, 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, 2020 and 2019, the Association did not have a distributable remaining balance as defined under the Income Tax law.

12. SUBSEQUENT EVENTS

Management permanently monitors the development of the COVID-19 pandemic and its impact on the Association; resulting from said monitoring, no significant event related to the pandemic has been identified between the reporting date and the date of authorization of the accompanying financial statements that require any adjustment or disclosure.

The Association has commenced re-introducing revenue generating activities, as and when Government regulations allow such activities to resume to pre-pandemic levels.



Stephen Irvin Balfour
President



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 2020 y 2019

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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 2020 y 2019, 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 2020 y 2019, 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 Internacional 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.

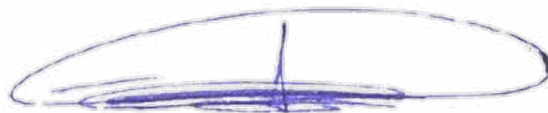
La Administración de la es responsable de la preparación y presentación razonable de los estados financieros adjuntos de conformidad con las NIF, y del control interno que la Administración consideró necesario para permitir la preparación de estados financieros libres de desviación material, debida a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

En la preparación de los estados financieros, la Administración 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 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

26 de febrero de 2021.
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 futuros 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 2020 y 2019
(Expresados en Pesos)

	Notas	2020			2019
		Sin restringir	Temporalmente restringido	Total	Total
ACTIVOS					
Activo circulante					
Efectivo y equivalentes de efectivo	5	\$ 1,234,336	\$ 5,426,866	\$ 6,661,202	\$ 6,799,454
Donativos por cobrar		16,455	-	16,455	15,952
Total del activo a corto plazo		<u>1,250,791</u>	<u>5,426,866</u>	<u>6,677,657</u>	<u>6,815,406</u>
Activo no circulante					
Propiedades y equipo, neto	6	19,323,129	-	19,323,129	19,436,314
Total de activos		<u>\$ 20,573,920</u>	<u>\$ 5,426,866</u>	<u>\$ 26,000,786</u>	<u>\$ 26,251,720</u>
PASIVO					
Pasivo a corto plazo					
Cuentas por pagar y gastos acumulados	7	\$ 361,536	\$ -	\$ 361,536	\$ 472,044
Ingresos de membresías por devengar	8	192,210	-	192,210	65,588
Total del pasivo a corto plazo		<u>553,746</u>	<u>-</u>	<u>553,746</u>	<u>537,632</u>
Pasivo a largo plazo					
Beneficio a los empleados	9	299,767	-	299,767	245,629
Ingresos de membresías por devengar	8	10,160	-	10,160	-
Total del pasivo a largo plazo		<u>309,927</u>	<u>-</u>	<u>309,927</u>	<u>245,629</u>
Total del pasivo		<u>863,673</u>	<u>-</u>	<u>863,673</u>	<u>783,261</u>
PATRIMONIO					
Remanente de ejercicios anteriores	10	19,710,247	-	19,710,247	19,931,960
Donativos acumulados		-	4,576,866	4,576,866	4,686,499
Fondo de reserva		-	850,000	850,000	850,000
Total del patrimonio		<u>19,710,247</u>	<u>5,426,866</u>	<u>25,137,113</u>	<u>25,468,459</u>
Total de pasivo y patrimonio		<u>\$ 20,573,920</u>	<u>\$ 5,426,866</u>	<u>\$ 26,000,786</u>	<u>\$ 26,251,720</u>

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



Stephen Irvin Balfour
Presidente



Andrew Timothy Boardman
Tesorero

Estados de actividades

Por los años terminados el 31 de diciembre de 2020 y 2019

(Expresados en Pesos)

	2020			2019
	Sin restringir	Temporalmente restringido	Total	Total
Ingresos:				
Membresías	\$ 1,552,428	\$ -	\$ 1,552,428	\$ 2,490,619
Donativos en efectivo	2,452,260	275,367	2,727,627	1,050,624
Venta de artículos	359,497	-	359,497	862,197
Otros ingresos	1,003,815	-	1,003,815	1,750,715
Total de ingresos	5,368,000	275,367	5,643,367	6,154,155
Gastos de operación:				
Nómina	3,554,820	-	3,554,820	3,734,328
Gastos administrativos	463,812	-	463,812	652,170
Gastos de servicios	520,725	-	520,725	1,633,588
Ayuda para estudiantes	-	385,000	385,000	323,000
Gastos de mantenimiento	952,719	-	952,719	645,890
Servicios profesionales	173,877	-	173,877	178,482
Depreciación	124,719	-	124,719	120,936
Derechos zona federal	58,989	-	58,989	64,141
Total de gastos de operación	5,849,661	385,000	6,234,661	7,352,535
Resultado integral de financiamiento:				
Intereses a favor	216,236	-	216,236	454,290
Utilidad en cambios	43,712	-	43,712	18,167
Total resultado integral de financiamiento	259,948	-	259,948	472,457
Déficit del ejercicio	\$ (221,713)	\$ (109,633)	\$ (331,346)	\$ (725,923)
Cambios en el patrimonio-				
	Sin restringir	Temporalmente restringido		Total
		Donativos	Fondo de reserva	
Saldos al 31 de diciembre de 2019	\$ 19,931,960	\$ 4,686,499	\$ 850,000	\$ 25,468,459
Déficit del ejercicio	(221,713)	(109,633)	-	(331,346)
Saldos al 31 de diciembre de 2020	\$ 19,710,247	\$ 4,576,866	\$ 850,000	\$ 25,137,113

Las notas adjuntas son parte integrante de estos estados financieros.



Stephen Irvin Balfour
Presidente



Andrew Timothy Boardman
Tesorero


Estados de flujos de efectivo
Por los años terminados el 31 de diciembre de 2020 y 2019
 (Expresados en Pesos)

	<u>2020</u>	<u>2019</u>
OPERACIÓN:		
Déficit del ejercicio	\$ (331,346)	\$ (725,923)
Partidas relacionadas con actividades de inversión:		
Depreciación	124,719	120,936
Provisión de beneficios a los empleados	54,138	(35,971)
Intereses a favor	<u>(216,236)</u>	<u>(454,290)</u>
	<u>(368,725)</u>	<u>(1,095,248)</u>
Donativos por cobrar	(503)	35,496
Cuentas por pagar y gastos acumulados	(110,508)	130,662
Ingresos de membresías por devengar	136,782	(331,977)
Flujos netos de efectivo de actividades de operación	<u>(342,954)</u>	<u>(1,261,067)</u>
INVERSION:		
Adquisiciones de equipo de oficina	(11,534)	-
Intereses cobrados	216,236	454,290
Flujos netos de efectivo de actividades de inversión	<u>204,702</u>	<u>454,290</u>
Disminución en efectivo y equivalentes de efectivo	(138,252)	(806,777)
Efectivo y equivalentes de efectivo al inicio del año	6,799,454	7,606,231
Efectivo y equivalentes de efectivo al final del año	<u>\$ 6,661,202</u>	<u>\$ 6,799,454</u>

Las notas adjuntas son parte integrante de estos estados financieros.



Stephen Irvin Balfour
 Presidente



Andrew Timothy Boardman
 Tesorero

Notas a los estados financieros

31 de diciembre de 2020 y 2019

(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.

Los resultados de las operaciones de este año dependieron en gran medida de las donaciones recibidas de los miembros en lugar de depender de las actividades generadoras de ingresos, que se redujeron en comparación con años anteriores debido a la pandemia. Las instalaciones de LCS se mantuvieron cerradas de marzo a agosto de 2020, lo que hizo que dejara de recibir ingresos de sus actividades generadoras de recursos. La Asociación logró mantenerse en operaciones y cumplir con sus obligaciones financieras gracias a las donaciones de la membresía, se hizo un plan para promover las donaciones y obtener otros recursos para hacer frente a los costos operativos. Se mantuvo la nómina del personal, sin necesidad de reducciones de personal o reducciones de sueldos. A la fecha de autorización de la emisión de los estados financieros, no se han reactivado todas las actividades generadoras de recursos, por lo que el principal enfoque actual es seguir impulsando las donaciones para que la Asociación pueda continuar con sus operaciones normales.

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).

Los estados financieros que se acompañan fueron autorizados para su emisión por el Sr. Stephen Irvin Balfour (Presidente) y el Sr. Andrew Timothy Boardman (Tesorero) el 26 de febrero de 2021, 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 16 de marzo de 2021.

4. PRINCIPALES POLÍTICAS CONTABLES

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

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 2019, 2018 y 2017, fue del 2.8300%, 4.8300% y 6.7730%, respectivamente, por lo tanto, la inflación acumulada de los tres ejercicios anuales anteriores fue del 14.4330%.

Los estados financieros al 31 de diciembre de 2020 y 2019 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 que se muestran en la siguiente página:

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 contabilizaban como donaciones.

k. Gastos operativos

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

l. 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 2020, las cuales no tuvieron efecto en la Asociación.

5. EFECTIVO Y EQUIVALENTES DE EFECTIVO

	2020	2019
Efectivo en caja y bancos	\$ 480,075	\$ 114,563
Inversiones a corto plazo temporalmente restringidas	5,426,866	5,536,499
Inversiones a corto plazo no restringidas	754,261	1,148,392
	\$ 6,661,202	\$ 6,799,454

Al 31 de diciembre de 2020 y 2019, el importe de las inversiones temporalmente restringidas con un objeto definido fue de \$ 4,576,866 y \$ 4,686,499, respectivamente. Del mismo modo, el importe correspondiente al fondo de reserva fue de \$ 850,000 en ambos años.

Durante los años terminados el 31 de diciembre de 2020 y 2019, los intereses generados por inversiones fueron de \$ 216,236 y \$ 454,290, respectivamente, que se presentan como parte de los intereses ganados en el estado de actividades.

6. PROPIEDADES Y EQUIPO

	2020	201*
Edificios	\$ 6,479,730	\$ 6,479,730
Equipo de oficina	71,245	66,884
Otros equipos	475,000	475,000
	<u>7,025,975</u>	<u>7,021,614</u>
Menos – Depreciación acumulada	5,242,127	5,124,581
	<u>1,783,848</u>	<u>1,897,033</u>
Terrenos	17,539,281	17,539,281
	<u>\$ 19,323,129</u>	<u>\$ 19,436,314</u>

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

	2020	2019
Acreedores diversos	\$ 194,301	\$ 332,204
Impuestos por pagar	167,235	139,840
	<u>\$ 361,536</u>	<u>\$ 472,044</u>

8. INGRESOS DE MEMBRESIAS POR DEVENGAR

Durante 2020, para asistir a la Asociación diversos miembros renovaron sus membresías por más de 1 año.

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 2020 y 2019, ascendió a \$ 202,370 y \$ 65,588 respectivamente.

9. BENEFICIOS A LOS EMPLEADOS

Indemnización-

Al 31 de diciembre de 2020 y 2019, 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 2020 y 2019, la Asociación cuenta con una reserva de prima de antigüedad de \$ 299,77 y \$ 245,629, respectivamente. El gasto por prima de antigüedad en 2020 y 2019 fue de \$ 54,138 y \$ 63,361, 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 2020 y 2019, 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

La Administración monitorea de forma permanente el desarrollo de la pandemia de COVID-19 y su impacto en la Asociación, derivado de dicho monitoreo no se ha identificado ningún evento significativo relacionado con la pandemia, entre la fecha de reporte y la fecha de autorización de los estados financieros adjuntos, que requiera algún ajuste o revelación.

La Asociación ha comenzado a reintroducir actividades generadoras de ingresos, cuando las regulaciones gubernamentales permitan que tales actividades se reanuden a niveles anteriores a la pandemia.



Stephen Irvin Balfour
Presidente



Andrew Timothy Boardman
Tesorero



Annual General Meeting of The Lake Chapala Society, A.C.

Nominations for the Board of Directors

Date of Election: March 16, 2021

Nominations for Office of Treasurer

1. Andrew Timothy Boardman
Candidate for a second term two-year term 2021-2022

Nominations for the Office of Director at Large

1. Larry John Barnhardt
Candidate for a second term two-year term 2021-2022
2. Christy Carter Caldwell
Candidate for a second term two-year term 2021-2022
3. Hunter Lee Johnson
Candidate for a first two-year term 2021-2022
4. Yolanda Martínez Llamas
Candidate for a first two-year term 2021-2022



*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;

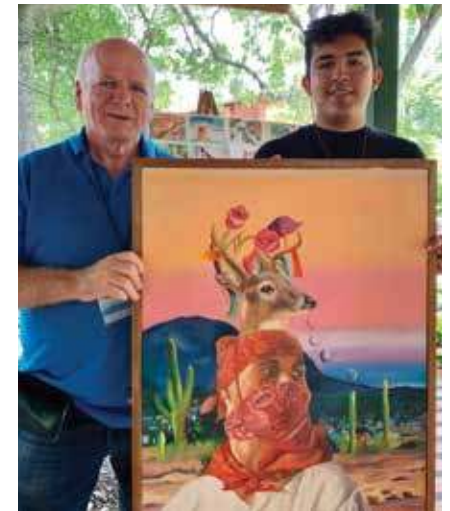
5.3.3) establish an Honorary Committee of key, major donors to kick off the silent phase of the Capital Campaign and enhance the ability to maximize donations during the silent phase; and

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
LakeChapalaSociety.com