

Finance Committee Report on Proposed 2024 Budget

The Finance Committee (FC) has prepared a Budget for 2024 using the information provided by the various committees of the OLL. Overall, the FC notes that the OLL has made a consistent and solid financial recovery after the pandemic. Below is a history of OLL profit and losses from 2018 (pre-pandemic) through 2023 (post-pandemic).

History

2024: \$43,219.59 projected profit.

2023: \$93,687 (against a budgeted **-\$58,688** loss even after the inclusion of \$200,000 in Ensuring Our Future (EOF) donations. We ended up using \$250,000 of EOF donations for the year, and posting a profit).

2022: **-\$70,495.48** (against a budgeted **-\$214,904.43** loss. People continued to refrain from travel, and Oaxaca did not experience a “typical” tourist season).

2021: **-\$191,057.40** (against a budgeted **-408,337.13** loss. The OLL received \$181,152.37 in EOF donations. The Library was partially open/closed for 8 months).

2020: **-\$440,465.31** (against a budgeted profit of \$42,142.28. The OLL was closed, or only partially open, beginning in March 2020, yet continued to pay operating expenses and employees).

2019: \$101,794.59 (against a budgeted **-\$1,245** loss).

2018: \$126,059.01 (against a budgeted \$72,755.92 profit).

While moving in a positive direction, The OLL is still not generating sufficient income from our programs alone to cover all expenses, though The OLL has always relied on donations for part of its funding. Expenses have increased more dramatically than income for many reasons, including some beyond The OLL’s business plans~inflation, gentrification, and other systemic economic issues. Income from Hiking, O&A and Talks has risen (mostly) over the non-pandemic years, but has been within a steady, non-dramatic range. Income from Donations (excluding EOF) has dropped after yoga classes at the OLL ceased. Income from Membership has increased, and the increase in fees and changes to Membership categories effective in August 2023 are already proving positive.

Net Income from Programs:

	Membership	Hiking	O&A	Talks	Donations
2023	384,768	167,798	118,437	203,722	117,769
2019	289,200	121,192	148,630	164,835	171,120
2018	261,050	129,754	87,778	165,774	177,003

From 2021 through 2023, the OLL undertook several one-time special projects to upgrade facilities and equipment, and to ensure a safe environment in a post-pandemic world (HEPA fans and filters, new staircase, window coverings to block sun, Ionas, murals, front façade, furniture, signage, audio-visual and other technical equipment including the Kiosks). The Library is now safer, more aesthetically pleasing, operationally sophisticated and better able to provide for Members and the public.

In addition to one-time expenditures, prices of everything have increased the world over.

OLL rent went from \$12,760 in 2018, to \$25,519 as of April 2022 (TOTAL FOR 2018, \$153,116.93, TOTAL FOR 2023, \$306,213.94).

In 2018, The OLL spent \$46,763.44 on books, and in 2023, it spent \$129,381.69 (almost 3x as much).

In 2018, The OLL spent \$23,954 on electricity, and in 2023, it spent \$33,043.

In 2018, The OLL paid its accountant \$21,903, and in 2023, it paid \$50,435.36.

In 2018, The OLL spent \$15,036.09 on audio-visual equipment and computer accessories, and in 2024 it anticipates spending \$110,400, with some of these expenses constituting delayed expenses from 2023.

We have increased wages and added an employee in 2022, Mireya, who we previously paid from cash on hand as the OLL cleaner. The total yearly salaries for 2 employees in 2018 was \$204,828.27 (plus \$40,545 for the cleaner), and the total salaries for 3 employees in 2023 totaled \$328,782.76. In 2018, the total salaries may go to \$350,400. (More detail, below).

Proposed Budget 2024: Net Income: \$43,219.59

- **Membership Income: Increases by 5%**
- **Donations: Increase by 8.5%**
- **Bazaar: at 2023 actuals**
- **Day of the Dead Income: \$65,000 (increase)**
- **Special Events Income: \$77,270.88 (increase)**

- **Talks and Tours in Cooperation at 2023 actuals**
- **Advertising Income: at 2023 budget**
- **Hiking Income: \$149,495 (decrease)**
- **Talks Income: \$275,594 (increase; includes summer events)**
- **O&A Income: \$199,600 (significant increase)**
- **LpP donation increase from \$2,000 (since 2018) to \$3,000 with a percentage increase every two years to be negotiated (increase)**
- **Book Expense: \$120,000 (slight decrease)**

The FC has been asked to provide detailed information on salaries. Generally, the salary schedule of a non-profit is delegated to a committee of the Board for subsequent Board approval. Last year and this year, the Executive Committee made recommendations on salaries. In the prior year, the President, in consultation with the Office Manager, made salary decisions.

For the past 5 years, the OLL has been working to meet average salaries in Mexico for comparable employee positions. And, in 2023, the Mexican government implemented new minimum wage laws which increase every year. All our employees are now paid above this minimum.

Proposed Salaries 2024:

WORKER	MONTHLY SALARY	DAILY SALARY	INTEGRATED DAILY WAGE FOR IMSS PURPOSES	AGUINALDO (20 DAYS DAILY WAGE)	VACATION BONUS 2024
MIREYA ARACELY GARCIA MALDONADO	8,280.00	272.22	289.75	5,444.40	1,088.88
CONCEPCION LOPEZ ALCANTAR	9,735.00	320.05	340.66	6,401.00	1,280.20
LILIAN ADRIANA PEREZ MALDONADO	14,628.00	480.92	514.54	9,618.40	2,645.06
SUMS				21,463.80	5,014.14

Comparable Salaries in Mexico 2023 from SAT:

Business manager between \$14,500.00 and 33,000.00 per month

Bilingual Receptionist between \$9998.00 and \$12,959 per month (Coni is more than a "receptionist," but exact comparisons are not available. In 2021 a bilingual secretary had an average monthly salary of \$10,000, and a bilingual cashier, \$6,500~\$7,000.)

*Administrative Assistant between \$4,800.00 and 10,000.00 per month (*Mireya continues to provide cleaning services for ½ of each day, and exact comparisons are not available.)*

MONTH	WORKER	IMSS EMPLOYER QUOTAS	EMPLOYER RETIREMENT, UNEMPLOYMENT AND INFONAVIT QUOTES	TOTAL	TAX ON REMUNERATIONS
JANUARY	468.88	4,205.83		4,674.71	
FEBRUARY	1,098.07	3,917.73	7,962.48	12,978.28	2,060.91
MARCH	461.16	4,194.60		4,655.76	
APRIL	1,232.57	4,051.17	8,095.19	13,378.93	2,095.26
MAY	461.16	4,194.60		4,655.76	
JUNE	1,232.57	4,051.17	8,095.19	13,378.93	2,095.26
JULY	461.16	4,194.60		4,655.76	
AUGUST	1,259.76	4,194.60	8,227.90	13,682.26	2,129.60
SEPTEMBER	446.85	4,051.17		4,498.02	
OCTOBER	1,232.57	4,194.60	8,095.19	13,522.36	2,095.26
NOVEMBER	446.85	4,051.17		4,498.02	
DECEMBER	1,232.57	4,194.60	8,095.19	13,522.36	2,095.26
SUMS	10,034.17	49,495.84	48,571.14	108,101.15	12,571.55

THE CONTRIBUTIONS TO INFONAVIT ARE PAID BIMONTHLY, THAT IS WHY THE ODD MONTHS COME LOW AND THE EVEN MONTHS HIGH.

Hours:

Mireya: 6:30~2:30 M-F, no lunch. 8hrs daily. Sat: 3hrs.

Coni: 10:00~7:00(W) 10:00~6:00(S) M-F, 1 hour lunch. 9hrs(W), 8hrs(S) daily with 1 hr. break.

Adriana: ~9:00~2:30 M-F, no lunch. 5 ½ hrs. daily. Sat: 3 ½ hrs.

Salary History:

2023 (monthly):

Mireya: \$7,200 (promoted to Administrative Assistant part-time.)

Coni: \$8,320 (promoted to Front Desk Manager.)

Adriana: \$12,720

2022 (monthly):

Mireya: \$6,000

Coni: \$6,400

Adriana: \$10,600

2021 (monthly)

Oscar: \$6,642

Adriana: \$8,930.64

2020 (monthly)

Oscar: \$6,114

Adriana: \$8,220.68

2019 (monthly)

Oscar: \$5,936 (8hrs., 1hr. lunch)

Adriana: \$7,980

2018 (monthly)

Oscar: \$2,872 (4 hrs. Monday~Friday)

Adriana: \$7,320

OLLF: The Finance Committee recommends that once The OLL becomes a donataria that we shift OLLF funds (approx. USD 33,000) to a wealth manager in Mexico, retaining some funds (or all) in USD. The OLL generated significant funding through EOF that was retained at The OLLF without any earning power—the funds were not held in an interest-bearing account or otherwise safely invested. As a result, The OLL lost potential income. (Holding less than \$100,000mxn monthly, and often quite a bit less, in its Bancomer savings account, the OLL made \$10,301 in interest income in 2023.) The OLL did not want to take the funds out of the OLLF because of the pre-donataria tax consequences (30% tax rate). When the OLL becomes a donataria, the tax consequences will no longer apply. We suggest that the OLL begin discussions with the OLLF now.

Going Forward:

- Promote Membership
- Get an Instagram Account
- Plan Talks, Hikes, Tours in the summer months
- Remind Members at tax time and at the end of the year the value of their donations to the OLL
- Promote recurring donations
- Encourage advertisement particularly from persons who use OLL premises for business purposes
- Promote The OLL to the local community

- Establish an endowment fund (promote tax rules in the US that allow persons to receive a tax benefit for dedicating funds from an IRA account to a tax-exempt organization at death, while allowing use of the funds until death.)
- Continue to work on the structure and vision of excursions.