

**TREASURER’S REPORT**  
**THE NYACK LIBRARY**  
**May 31, 2017**

**Bonds Status:** As of May 31, the Library had \$9,965,000 in outstanding bonds. Interest payments on the Series A and B bonds totaling \$252,628 were made on May 25, 2017.

**Replacement Financing:** The Finance Committee was active in May advancing the refinancing of the Series A bonds. Discussions were held with the following:

Janney Capital	Prospective financial advisor
Sterling Bank, Provident Bank, and TD Bank	Prospective bond buyers
McManimon Scotland & Baumann	Prospective bond counsel
Wisconsin Public Finance Authority	Prospective conduit
Norton Rose Fulbright	Library’s counsel

The minutes of the Finance Committee’s meetings were distributed to all Trustees. Upon the recommendation of the Finance Committee, the Board of Trustees will be asked to approve McManimon Scotland as bond counsel at its June 12 meeting.

**Key Financial Metric for the Replacement Tax-Exempt Bonds:** The Finance Committee continues to monitor the yield on the 10-year US Treasury Note. In May, Treasury yields remained below November levels. Fears about North Korea’s nuclear ambitions resulted in investor flight to the safety of US Treasury bills, driving down yields. In addition, Congress’s failure to repeal and replace Obamacare has delayed any legislation aimed at a reduction in corporate tax rates. In all likelihood, no Congressional action on corporate tax rates will occur in 2017. This will suppress economic growth and credit demand.

The table below summarizes recent trend in 10-year US Treasury rates.

September 30, 2016	1.60%
October 31, 2016	1.81%
November 30, 2016	2.37%
December 30, 2016	2.45%
January 31, 2017	2.49%
February 28, 2017	2.36%
March 31, 2017	2.35%
April 28, 2017	2.28%
May 31, 2017	2.20%

**Cash:** On May 31, cash balances in the Library’s accounts totaled \$635,506.

An additional \$953,958 in cash is held by the Bond Trustee, BONY Mellon, in the Library’s Debt Service Reserve account. This Debt Service Reserve account is required to satisfy covenants on the Library’s outstanding bonds and is not available for expense coverage. These Debt Reserve funds are invested in a ladder of FDIC-insured CDs.

**Disbursements:** The Board of Trustees will be asked to approve \$422,022 in disbursements for the month of May 2017. 60% of those disbursements were for interest payments on the outstanding Series A and B bonds. Payroll accounted for an additional 25%. The remaining 15% was for insurances, utilities, and library materials.

Among the disbursements was \$14.5 thousand in maintenance repairs to the Carnegie Room that are subject to reimbursement through a grant from the New York State Thruway Authority under the New NY Bridge Community Benefits Program.

**Operations and Budget Performance:** For the first eleven months of FY 2017, the Library realized a \$107,202 cash surplus from all of its enterprises.

Library operations accounted for \$147,278 or 140% of that cash surplus. Most of that cash surplus was the result of favorable workforce, operations, and library materials / programming variances from the Budget.

Through May, DePew House operated at a \$54,374 cash deficit. DePew is now forecast to suffer a cash loss of \$60 thousand in FY 2017, \$14 thousand worse than budget.

Through May, Stevenson House produced a \$14,298 cash surplus and is now forecast to deliver a cash surplus of \$16 thousand in FY 2017, \$5 thousand worse than budget.

**Short Term Financial Remedies:** The Director filed two separate property tax grievances with the Orangetown Tax Assessor regarding the current tax assessments on the Library's commercial properties: DePew and Stevenson. The DePew property tax grievance is based on an independent appraisal underwritten by the Library. The Stevenson grievance is based on a calculated 37% reduction in the land occupied by Stevenson. All of that land was ceded to the Library for its 2010 physical expansion.

Both grievances were recorded on May 23. Results will be learned at a later date.

Stephen R. Beck