TREASURER'S REPORT
THE NYACK LIBRARY
November 30, 2016

Property Tax Revenues: On November 23, the Library received $29,495 in additional property tax revenues. This is the second of three property tax inflows expected in FY 2017.

October 31, 2016	84% of tax levy	$2,477,569	Received
November 23, 2016	1% of tax levy	$ 29,495	Received
April 15, 2017	15% of tax levy	$ 442,423	Pending

The Library's total property tax levy for FY 2017 is $2,949,487.

Other Significant Financial Transactions: Debt service on the outstanding bonds in the amount of $518,825 was paid to the bond trustee on November 22. This consisted of interest payments of $258,825 and principal payments of $260,000, all due on December 1.

The Library also made a payment of $165,476 to the New York State Retirement Fund to cover the Library's 2017 pension obligation.

Line of Credit: The $450,000 line of credit with Sterling Bank will expire on December 31. Sterling Bank has agreed to renew the line. The Board of Trustees will need to authorize the line's renewal at its December 12 meeting.

Bonds Status: As of November 30, the Library had $9,965,000 in outstanding bonds. We have finally reduced the Library's total outstanding debt below $10 million, which is a milestone.

Interest payments of $252,628 will be due on June 1, 2017.

Replacement Bonds: The program to refinance the Library's long term debt continued to advance in October. The Treasurer provided prospective lenders with copies of the FY 2016 audited Financial Report and responded to routine questions.

The Library currently has four banks supportive of our financial restructuring plan: Key Bank, TD Bank, Provident Bank (NJ), and Sterling National Bank. Key Bank is also interested in acting as an agent to expose our bond offering to other banks outside this quartet. We will carry discussions forward with these institutions in the coming months.

Key Financial Metric for the Replacement Tax-Exempt Bonds: The interest rate on the replacement tax-exempt bond the Library will place with a bank in calendar 2017 is directly linked to the yield on 10-year US Treasury Note. The election of Donald Trump to the Presidency on November 8 raised expectations of improved economic conditions. In addition, it is very likely the Federal Reserve will raise the Fed funds rate by 0.25% in December.

Together, these events caused an upward spike in the yield (interest rate) on the 10-year Treasury Note, as reflected in the table below.

September 30, 2016	1.60%
October 31, 2016	1.81%
November 30, 2016	2.37%

Given the massive size of the US Treasury debt market, this kind of rate increase in a matter of three weeks is unusual. We will continue to monitor the yield on this key financial instrument.

The Library's Finance Committee will meet in December to review the timing of the tax-exempt bond placement.

Cash: On November 30, cash balances in the Library's accounts totaled $1,427,976. This reflects the property tax receipts, debt service payments, and pension payments described above.

An additional $953,746 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.

FY 2016 Audit:

The Board of Trustees formally approved Baldessari & Coster's audited FY 2016 Financial Report at its November 12 meeting.

Disbursements: The Board of Trustees will be asked to approve $136,409 in disbursements for the month of November. 80% of those disbursements were for payroll, and the remaining 20% was for audit fees, library materials, and other miscellaneous expenses.

Operations and Budget Performance: For the first five months of FY 2017, the Library realized a $49,732 cash surplus from all of its enterprises.

Library operations accounted for $73,731 or 150% of that cash surplus. Most of that cash surplus was the result of favorable workforce, operations, and library materials variances from the Budget.

Through November, DePew House operated at a $26,057 cash deficit. DePew is now forecast to suffer a cash loss of $56 thousand in FY 2017, $10 thousand worse than budget.

Through November, Stevenson House produced a $2,057 cash surplus and is essentially on budget to deliver a cash surplus of $19 thousand in FY 2017.

Stephen R. Beck