

**TREASURER'S REPORT  
THE NYACK LIBRARY  
December 31, 2018**

**Cash:** On December 31, available cash balances in the Library's operating and reserve accounts totaled \$1,861,640. This large cash balance reflects the property tax receipts on October 30 and November 15.

An additional \$174,149 in cash associated with the 2007 Series B bonds was held in the Library's Debt Service Reserve account on December 31 by the bond trustee, Bank of New York Mellon. These funds will remain in possession of the bond trustee until the Series B bonds mature in 2027 or are defeased prior to 2027.

**FY 2020 Budget:** At its December 10 meeting, the Board of Trustees unanimously approved the FY 2020 Preliminary Budget presented by management. The Budget calls for a 1.0% increase in the Library's tax levy.

The FY 2020 Budget will be voted on by the public on February 11, 2019.

**Current Bonds Status:** On December 31, the Library had \$8,855,904 in long term debt.

\$7,710,904 or 87% of that is tax-exempt debt with TD Bank. The interest rate is fixed at 2.57%. Debt service is \$36,300 monthly. This bond is subject to call by TD Bank in October 2027, at which time the principal balance will be \$5,455,000.

The remaining debt is \$1,145,000 of 2007 taxable Series B bonds. The interest rate on these bonds is fixed at 6.22%. The Series B bonds mature in December 2027.

**Retirement of the Series B Bonds:** The Board of Trustees is considering sale of Stevenson House. This property and DePew House are collateral for the 2007 Series B bonds. The Series B bonds will need to be defeased prior to any property sale. All of the future principal and interest payments due on the Series B bonds through their December 2027 maturity will need to be placed in escrow with the bond trustee, who will then service the debt.

The defeasance requirement is currently \$1.53 million. The funding needed to satisfy the defeasance will come from (1) \$174 thousand in cash in the existing Debt Service Reserve account, (2) the proceeds of the Stevenson House sale, and (3) approximately \$390 thousand of the Library's cash balances. The existing \$450,000 TD Bank line of credit should be sufficient to cover the defeasance funding requirement through the customary October borrowing period.

**Disbursements:** At its January 14 meeting, the Board of Trustees will be asked to approve \$308,457 in December disbursements. 43% of those disbursements was for the Library's contribution to the NY State Retirement System, 37% was for payroll, 12% was debt service on the TD Bank bond, and the remaining 8% was for miscellaneous expenses.

**Operations and Budget Performance:** For the First Half of FY 2019, the Library realized a \$132,792 cash surplus from all of its enterprises.

Through December, Library operations accounted for \$141,799 or 107% of that surplus. Most of that cash surplus was the result of favorable workforce, operations, and library materials variances from Budget. All other Library expense categories were essentially on Budget.

Through December, DePew House operated at a \$29,793 cash deficit, essentially on Budget.

Through December, Stevenson House operated at a \$20,786 cash surplus, essentially on Budget.

Stephen R. Beck