TREASURER'S REPORT
THE NYACK LIBRARY
October 31, 2016

Property Tax Revenues: On October 31, the Library received $2,477,569 in property tax revenues. This is the first of three property tax inflows expected in FY 2017.

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

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

Cash: On October 31, cash balances in the Library's accounts totaled $2,184,868. This includes the property tax revenue described above.

An additional $953,654 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.

Short Term Borrowing: The Library has a $450,000 line of credit with Sterling National Bank. In past years, the Library borrowed heavily on the line of credit to cover current expenses. With the installation of a more financially disciplined management team in 2013, the dependence on the line of credit declined in recent years. This year, however, the cost of renovating DePew House pushed the line of credit drawdown near historically high levels.

October 2011	$225,000
October 2012	$300,000
October 2013	$300,000
October 2014	$ 75,000
October 2015	$ 55,000
October 2016	$271,100

Peak borrowings always occur just prior to the receipt of this first property tax payment on November 1 in the new "revenue year".

With the receipt of the October 31 property tax payment, the borrowing balance on the line of credit was reduced to zero.

FY 2016 Audit: Baldessari & Coster delivered the draft audited FY 2016 Financial Report in October. The Finance Committee reviewed the draft on October 19 and referred it to the Audit Committee with its comments (attached). The Audit Committee met with audit partner Albert Coster on October 31 and formally accepted the Financial Report with some minor edits. The Board of Trustees will be asked to formally approve the Report at its November 12 meeting.

Replacement Bonds: The program to restructure the Library's long term debt continued to advance in October. The Treasurer provided the prospective lenders with comparisons of FY 2015 and FY 2016 actual results and the FY 2017 Budget.

At this point, the Library 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 exposing our bond offering to other banks outside this quartet. We will continue to carry discussions forward with these institutions in the coming months. All of the banks are eagerly awaiting the Library's audited FY 2016 Financial Report.

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 2017 is directly linked to the yield on 10-year US Treasury Note. We continue to monitor the yield on this key financial instrument.

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

The Finance Committee will meet in December to review the timing of the direct placement.

Current Bonds Status: As of October 31, the Library had $10,225,000 in outstanding bonds. On December 1, debt service payments of $518,825 will be due.

Disbursements: The Board of Trustees will be asked to approve $210,887 in disbursements for the month of October. 55% of those disbursements were for payroll, and the remaining 45% was for insurance, RCLS fees, library materials, and other miscellaneous expenses.

Operations and Budget Performance: For the first four months of FY 2017, the Library realized a $48,352 cash surplus from all of its enterprises.

Library operations accounted for $61,772 or 130% of that cash surplus. Most of that cash surplus was the result of favorable workforce, operations, and library materials variances from the Budget.

Through October, DePew House operated at a $14,891 cash deficit, essentially on budget. Depew is forecast to suffer a cash loss of $47 thousand in FY 2017.

Through October, Stevenson House operated at breakeven, essentially on budget. Stevenson is forecast to deliver a cash surplus of $19 thousand in FY 2017.

Stephen R. Beck