

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

Property Tax Revenues: On October 30, the Library received \$2,336,939 in property tax revenues. This is the first of three property tax inflows expected in FY 2019.

October 30, 2018	77% of tax levy	\$2,336,939	Received
December 2018	8% of tax levy	\$ 242,799	Pending
April 2019	15% of tax levy	\$ 455,248	Pending

The Library's total property tax levy for FY 2019 is \$3,034,986.

Cash: On October 31, available cash balances in the Library's operating and reserve accounts totaled \$2,279,076. This large cash balance reflects the property tax receipt (described above) on October 30.

In the last week of October, the Library borrowed \$25,000 from the TD Bank line of credit to meet payroll obligations. This small amount of borrowing was repaid on October 30 when the property tax revenues described above were received. The October 2018 borrowing compares favorably to a year ago when the Library borrowed \$346,000 on its line of credit in October 2017.

An additional \$174,058 in cash associated with the 2007 Series B bonds is held in the Library's Debt Service Reserve account on October 30 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.

Current Bonds Status: On October 31, the Library had \$8,988,805 in long term debt. For the first time in the last eleven years, the total debt is below \$9 million. The Board of Trustees and management are to be congratulated for their success in restructuring the Library's balance sheet.

\$7,748,805 or 86% 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 \$1,240,000 of 2007 taxable Series B bonds. The interest rate on these bonds is fixed at 6.22%. An interest payment of \$38,600 and a principal payment of \$95,000 will be due on December 1, 2018. 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 bonds through their December 2027 maturity will need to be placed in escrow with the bond trustee, who will then service the debt.

After December 1, 2018, the defeasance requirement is \$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 November 12 meeting, the Board of Trustees will be asked to approve \$249,960 in October disbursements. 45% of those disbursements or \$112 thousand was for payroll, 15% was debt service on the TD Bank bond, and the remaining 40% was for insurances, RCLS dues, library materials, utilities, and other miscellaneous expenses.

Operations and Budget Performance: For the four month of FY 2019, the Library realized a \$76,508 cash surplus from all of its enterprises.

Through October, Library operations accounted for \$87,170 or 112% of that surplus. Most of that cash surplus was the result of favorable workforce, operations, and library materials variances from Budget. All other expense categories were essentially on Budget.

Through October, DePew House operated at a \$21,845 cash deficit, essentially on Budget.

Through October, Stevenson House operated at a \$12,183 cash surplus, essentially on Budget.

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