

**TREASURER'S REPORT**  
**THE NYACK LIBRARY**  
**February 28, 2019**

**Cash:** On February 28, available cash balances in the Library's operating and reserve accounts totaled \$1,539,550.

An additional \$174,261 in cash associated with the 2007 Series B bonds was held in the Library's Debt Service Reserve account on February 28 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:** On February 12, the FY 2020 Preliminary Budget was approved by 91% of the voters. The Budget calls for a 1.0% increase in the Library's tax levy.

**Current Bonds Status:** On February 28, the Library had \$8,816,275 in long term debt.

\$7,671,275 or 87% of that is 2017 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 February 2027.

**Series B Bonds:** On February 5, the Library executed a contract to sell Stevenson House. Since the property is collateral for the Series B bonds, the bonds will need to be defeased in order to close. The Treasurer authorized Hawkins Delafield & Wood, bond counsel for the Series B bonds, to prepare the defeasance documents. Munistat Services was authorized to define the schedule of US Treasury securities in the defeasance escrow account. Both tasks were completed during the month.

Completion of the defeasance process awaits the purchaser's completion of his financing arrangements. Ideally, the placement of Library funds in the defeasance escrow account would coincide with the property closing. At worst, the time interval must be less than seven calendar days. The objective is to minimize the Library's financial vulnerability.

**Auditor:** In February, the Audit and Finance Committees approved the engagement of Baldessari & Coster to undertake the annual independent audit of the Library's financial accounts for FY 2019.

**Disbursements:** At its March 11 meeting, the Board of Trustees will be asked to approve \$219,901 in February disbursements. \$113,772 or 52% of those disbursements was for payroll, 17% was debt service on the TD Bank bond, 7% was for RCLS fees, and the remaining 24% was for insurances, utilities, library materials, and miscellaneous expenses.

**Operations and Budget Performance:** For the first eight months of FY 2019, the Library realized a \$154,356 cash surplus from all of its enterprises.

Through February, Library operations accounted for \$182,174 or 118% 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 February, DePew House operated at a \$46,450 cash deficit, essentially on Budget.

Through February, Stevenson House operated at an \$18,632 cash surplus, essentially on Budget.

Stephen R. Beck