TOWN OF SCHAGHTICOKE
RENSSELAER COUNTY, NEW YORK

CUSIP Base #: 806279
(full 9 digit CUSIP Numbers displayed herein)

CONTINUING DISCLOSURE STATEMENT
Pursuant to the Securities and Exchange Commission Rule 15c2-12

For Fiscal Year Ending December 31, 2014

Dated: June 26, 2015

In connection with:

\$2,419,718 Public Improvement (Serial) Bonds, 1999

\$1,158,300 Public Improvement (Refunding) Bonds, 2006

Prepared with the assistance of:

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TOWN BOARD

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Supervisor

David Akin
John Rustin Sr.

Jerry Moore
Jim Westhead

NANCY HARDER
Budget Officer

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Town Clerk

ROEMER WALLENS & MINEAUX LLP
Albany, New York
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
Town Financial Advisor

No person has been authorized by the Town of Schaghticoke to give any information or to make any representations not contained in this Continuing Disclosure Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. The information, estimates and expressions of opinion herein are subject to change without notice, and the delivery of this Continuing Disclosure Statement shall not, under any circumstances, create any implication that there has been no change in the affairs of the Town of Schaghticoke.

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BOND ISSUES RELATING TO THE FILING

The following are the bonds along with CUSIP #'s in which this filing is associated with:

$2,419,718 Public Improvement (Serial) Bonds, 1999
CUSIP #: N/A

Year	Amount	CSP	Year	Amount	CSP	Year	Amount	CSP
2001	$ 99,718	N/A	2008	$ 115,000	N/A	2014	$ 125,000	N/A
2002	100,000	N/A	2009	120,000	N/A	2015	130,000	N/A
2003	105,000	N/A	2010	120,000	N/A	2016	130,000	N/A
2004	105,000	N/A	2011	125,000	N/A	2017	135,000	N/A
2005	110,000	N/A	2012	125,000	N/A	2018	140,000	N/A
2006	110,000	N/A	2013	125,000	N/A	2019	140,000	N/A
2007	115,000	N/A				2020	145,000	N/A

$1,158,300 Public Improvement (Refunding) Bonds, 2006
CUSIP #: 806279

Year	Amount	CSP	Year	Amount	CSP	Year	Amount	CSP
2007	$ 80,000	BS3	2016	$ 95,000 *	CB9	2025	$ 1,300 *	CL7
2008	75,000	BT1	2017	100,000 *	CC7	2026	1,300 *	CM5
2009	70,000	BU8	2018	100,000 *	CD5	2027	1,300 *	CN3
2010	75,000	BV6	2019	115,000 *	CE3	2028	1,300 *	CP8
2011	80,000	BW4	2020	1,300 *	CF0	2029	1,300 *	CQ6
2012	85,000	BX2	2021	1,300 *	CG8	2030	1,300 *	CR4
2013	85,000	BY0	2022	1,300 *	CH6	2031	1,300 *	CS2
2014	90,000	BZ7	2023	1,300 *	CJ2	2032	1,300 *	CT0
2015	90,000	CA1	2024	1,300 *	CK9	2033	1,300 *	CU7

* The Bonds maturing in the years 2016 to 2033 are subject to redemption prior to maturity.

THE TOWN

General Information

The Town of Schaghticoke was incorporated in 1791 and has a land area of 49.4 square miles. The Town is located approximately 20 miles northeast of Albany. The Town of Schaghticoke has been traditionally an agricultural community in its over 200 years of existence; but with rapid decrease in the use of agricultural lands has become a rural bedroom community for the Capital District area.

Water is supplied to a majority of the populated areas of the Town through the water districts as established by the Towns. Sanitary sewer service is provided through Town interceptors that feed into the Rensselaer County treatment plant and Saratoga County treatment plant. Gas and electric service is supplied by National Grid (Formerly Niagara Mohawk Power Corporation). Police protection is provided by the Rensselaer County Sheriff's Department and the New York State Police. The Town provides fire protection and rescue services through six voluntary fire districts and three voluntary rescue squads. The Town also offers assistance to senior citizens through various senior citizen groups. A voluntary youth commission provides guidance and direction through its summer program that tracks approximately 400 children.

Population Trends

	Town of Schaghticoke	Rensselaer County	New York State
1970	6,220	152,510	18,236,882
1980	7,094	151,966	17,558,072
1990	7,574	154,429	17,990,455
2000	7,456	152,538	18,976,457
2010	7,679	159,429	19,378,102
2011	N/A	159,395	19,465,197
2012	N/A	159,835	19,570,261
2013	N/A	159,918	19,651,127
2014	N/A	159,774	19,746,227

Source: U.S. Census Bureau

Major Employers

Name of Employer	Business Type	# Employed
Hoosic Valley School	Education	200
Warren W. Fane Co.	Wholesale Gravel	100
Shop & Save	Grocery Store	50
Wiley Bros Inc.	Hardware/Lumber Store	25
Quality Retail Systems (QRS)	Electronic Equipment Repair & Maintenance	25

Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 1990, 2000 and 2009-2013 Census reports.

	Per Capita Income			Median Family Income		
	1990	2000	2009-2013	1990	2000	2009-2013
Town of: Schaghticoke	$ 14,351	$ 20,673	$ 28,938	$ 42,524	$ 57,423	$ 74,253
County of: Rensselaer	14,031	21,095	29,987	38,899	52,864	74,519
State of: New York	16,501	23,389	32,382	39,741	51,691	70,670

Note: 2014 data is not available at this time.

Source: U.S. Census Bureau; 2009-2013 American Community Survey.

Form of Town Government

The Town is governed by the provisions of the Town Law.

The chief executive officer of the Town is the Supervisor who is elected for a term of two years and is eligible to succeed herself. She is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected for four-year terms. Each term is staggered so that every two years the Supervisor and two council members run. There is no limitation as to the number of terms which may be served by members of the Town Board. Both the Supervisor and council members are elected at large.

The Town appoints its Assessor who serves a six-year term. The Town appoints the Budget Director and the Town Attorney whose terms are fixed by Town Law. The Town Clerk and Town Receiver of Taxes are elected to four-year terms.

Financial Organization

The Town Supervisor is the chief fiscal officer of the Town. The Supervisor, with the approval of the Town Board, appoints the Budget Director to the Supervisor, who with the Supervisor, has responsibility for the Town's financial affairs including reviewing the financial conditions of the Town and plans for the Town's financial needs. The Supervisor is responsible for the custody of the Town's funds and disbursement of Town expenses. The Town Board is responsible for approving claims and expenses. The Assessor has responsibility for assessing real property in the Town for ad valorem taxes. Taxes, including Rensselaer County ad valorem taxes assessed in the Town, are collected by the Receiver of Taxes.

Budgetary Procedures

The Supervisor, with the assistance of the Budget Director, prepares a preliminary budget each year, pursuant to various laws of the State of New York, and holds a public hearing thereon. Subsequent to the public hearing revisions, if any, are made and the budget is then adopted by the Town Board no later than November 20th as its final budget for the coming fiscal year. The budget is not subject to referendum.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the Town's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America, (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, (4) obligations of the State of New York, (5) Repurchase agreements are permitted to the extent that all repurchase agreements must be entered into subject to a Master Repurchase Agreement with collateral held by a third party bank, (6) obligations issued, or fully insured or guaranteed as to the payment of principal in interest, by the United States of America, or (7) obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporations of the State of New York.

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2015 fiscal year, approximately 21.5% of the operating revenues of the Town is expected to be received from the State as State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Employees

The Town provides services through 13 full-time and 36 part-time positions with highway employees represented by the Teamsters collective bargaining unit. The bargaining unit's contract expired on December 31, 2014.

Pension Payments

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") the "Retirement System"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and until April 1, 2012, with less than ten years' service, must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 10, 2009, then Governor Paterson signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than $35 billion in long-term savings to State taxpayers over the next thirty years. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century at that time. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, Governor Cuomo signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

<u>Stable Rate Pension Contribution Option:</u> The 2013-14 State Enacted Budget includes a provision that would provide local governments and school districts, including the Town, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The Town is not participating in the Stable Rate Pension Contribution Option nor has the intent to do so in the foreseeable future.

The Town's actual and projected costs for the retirement systems are as follows:

	ERS
2008	$ 70,877
2009	56,010
2010	61,329
2011	82,003
2012	109,035
2013	88,328
2014 (Budgeted)	145,059
2014 (Actual)	124,691
2015 (Budgeted)	119,511

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2010 to 2015) is shown below:

Year	ERS	PFRS
2010	7.4%	15.1%
2011	11.9	18.2
2012	16.3	21.6
2013	18.9	25.8
2014	20.9	28.9
2015	20.1	27.6

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The Enacted 2013-14 State Budget includes a provision that provides local governments, including the Town, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The Town has opted to not amortize any of the contribution.

The investment of monies and assumptions underlying same, of the Retirement System covering the Town's employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement System ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the Retirement System administrative staff for further information on the latest actuarial valuations of the Retirement System.

While the Town is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

Other Post-Employment Benefits

It should also be noted that the Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the Town, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting. GASB 45 implementation is now required for all municipalities.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. These benefits had generally been administered on a pay-as-you-go basis and had not been reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities similar to pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside the necessary funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") is determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

The Town currently does not have any OPEB liability.

Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest area for which such statistics are available (which includes the Town) is the County. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Continuing Disclosure Statement that the County is necessarily representative of the Town, or vice versa.

Annual Average

	2007	2008	2009	2010	2011	2012	2013	2014
Rensselaer County	4.3%	5.2%	7.5%	7.9%	7.6%	7.8%	6.8%	5.3%
New York State	4.6%	5.4%	8.4%	8.6%	8.3%	8.5%	7.7%	6.3%

2015 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Rensselaer County	5.8%	5.5%	4.9%	4.5%	4.5%	N/A
New York State	6.5%	6.4%	5.8%	5.5%	5.3%	N/A

Note: Figures for June of 2014 are currently unavailable as of the date of this Continuing Disclosure Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Financial Statements

The financial affairs of the Town are subject to periodic audit by the State Comptroller. The last available annual financial statement of the Town was performed covering the year ending December 31, 2014. Certain financial information of the Town is included in the Appendices to this Continuing Disclosure Statement.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Town as "No Designation" with a fiscal score of 3.3%.

Note: Reference to websites implies no warranty of accuracy of information therein.

TAX INFORMATION

Valuations

Years Ending December 31:	2011	2012	2013	2014	2015
Assessed Valuation	$ 152,566,179	$ 152,985,888	$ 152,692,026	$ 152,746,065	$ 156,719,920
NYS Equalization Rate	23.00%	24.00%	24.50%	24.40%	24.40%
Full Valuation	$ 663,331,213	$ 637,441,200	$ 623,232,759	$ 626,008,463	$ 642,294,754

Tax Rate Per $1,000 (Assessed)

Years Ending December 31:	2011	2012	2013	2014	2015
General	$ 5.86	$ 5.88	$ 6.26	$ 6.41	$ 6.57
Part-Town	1.65	1.81	1.81	1.99	1.99

Tax Collection Procedure

Taxes are due January 1, payable without penalty to and including January 31. Penalties thereafter are 1% if paid in February and 2% if paid in March. On April 1, the tax roll is returned to the Rensselaer County Treasurer and taxes plus penalties are payable to the County. The Town retains the total amount of town, highway and special district levies from the total collections and returns the balance plus the uncollected items to the County, which assumes collection responsibility and holds annual tax sales. The Town thus is assured of receiving the full amount of its real estate tax levy each year.

Tax Collection Record

Years Ending December 31:	2011	2012	2013	2014	2015
Total Tax Levy	$ 991,426	$1,011,254	$1,061,816	$ 1,104,288	$ 1,124,288
Amount Uncollected (1)	0	0	0	0	0
% Uncollected	%	0%	0%	0%	0%

(1) See "Tax Collection Procedure" herein.

Largest Taxpayers 2014-15 Assessment Roll

Name	Type	Assessed Valuation
National Grid	Utility	$ 4,148,000
Erie Blvd. Hydro	Hydroelectric Plant	1,927,000
City of Troy	Municipal Water Supply	1,387,550
Diamond Hill Building LLC	Nursing Home	1,320,000
Erie Blvd Hydro	Utility	1,073,000
NYSEG	Utility	1,121,920
D/R RV Resort	Campground	1,106,400
Niagara Mohawk Power Corporation	Utility	834,199
Schaghticoke Partners of Albany LP	Shopping Mall	474,000

The ten largest taxpayers listed above have a total assessed valuation of $13,392,069 which represents 8.55% of the Town's tax base.

Source: Town Tax Rolls.

Additional Tax Information

Real property in the Town is assessed by the Town.

Veterans' and Senior Citizens' exemptions are offered to those who qualify.

The assessment roll of the Town is constituted approximately as follows: 90% Residential, 5% Commercial and 5% Agricultural.

The total property tax bill of a $100,000 residential property located in the Town is approximately $2,517 including County, City, Town, Village and School District taxes.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 15, 2016 unless other legislation is extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Town are uncertain at this time.

STATUS OF INDEBTEDNESS

Debt Outstanding End of Fiscal Year

Years Ending December 31:	2010	2011	2012	2013	2014
Bonds	$ 5,545,750	$ 5,043,012	$ 4,739,132	$ 4,433,830	$ 4,122,107
Bond Anticipation Notes	0	153,960	187,340	113,335	62,015
Other Debt	0	0	0	0	0
Totals	$ 5,545,750	$ 5,196,972	$ 4,926,472	$ 4,547,165	$ 4,184,122

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of June 26, 2015.

	Maturity	Amount
Bonds	2015-2033	$ 4,022,107
Bond Anticipation Notes		
New Mower	2016	62,015
	Total Indebtedness	$ 4,084,122

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 26, 2015:

Five-Year Average Full Valuation of Taxable Real Property			$ 638,461,678
Debt Limit - 7% thereof			44,692,317
Inclusions:			
Bonds	$ 4,022,107		
Bond Anticipation Notes	62,015		
Total Inclusions		$ 4,084,122	
Exclusions			
Water Indebtedness [1]	$ 820,000		
Appropriations	0		
Total Exclusions		$ 820,000	
Total Net Indebtedness Subject to Debt Limit			$ 3,264,122
Net Debt-Contracting Margin			$ 41,428,195
Percent of Debt Contracting Power Exhausted			7.30%

(1) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Cash Flow Borrowings

The Town has not found it necessary to borrow tax anticipation notes or revenue anticipation notes in the past and does not anticipate the need to borrow either in the future.

Capital Project Plans

There are currently no other capital projects authorized nor are any contemplated at the present time.

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. The estimated outstanding indebtedness of such political subdivisions is as follows:

	Outstanding Indebtedness	Exclusions [2]	Net Indebtedness	Approx. % Within Town	Applicable Net Indebtedness
County of:					
Rensselaer	$ 202,530,684	$ 81,820,831 [3]	$ 120,709,853	5.86%	$ 7,073,597
School Districts of:					
Hoosic Valley	15,286,012	12,244,096 [4]	3,041,916	62.89	1,913,061
Lansingburgh	34,075,000	30,531,200 [4]	3,543,800	21.90	776,092
Mechanicville	18,446,477	14,406,699 [4]	4,039,778	11.94	482,349
				Total	$ 10,245,099

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.
(2) Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
(3) Sewer and Water Indebtedness.
(4) Estimated State Building aid.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2013.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of June 26, 2015:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness (see "Debt Statement Summary")	$ 3,264,122	$ 425.07	0.51%
Net Indebtedness Plus Net Overlapping Indebtedness [c]	13,509,221	1,759.24	2.10%

(a) The Town's 2010 estimated population is 7,679. (See "Population Trends" herein.)
(b) The Town's full value of taxable real estate for 2015 is $642,294,754.
(c) See "Debt Statement Summary" herein.
(d) The Town's applicable share of net underlying indebtedness is $10,245,099. (See "Overlapping Indebtedness" herein.)

RATING

Moody's Investors Service, Inc. has assigned their municipal bond rating of "Aa3" to the Towns outstanding Bonds. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised downward or withdrawn by the rating agency furnishing the same if, in its judgment, circumstances so warrant.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Town, threatened against or affecting the Town to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Town.

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	2010	2011	2012	2013	2014 Unaudited
ASSETS					
Cash and Short-term Investments	$ 719,328	$ 573,685	$ 549,555	$ 461,233	$ 543,656
Receivables:					
Accounts	21,590	25,636	25,479	19,895	21,022
State and Federal	-	-	-	-	-
Due from Other Funds	91,785	99,199	10,199	150,000	-
Due from Other Governments	-	-	-	-	-
TOTAL ASSETS	$ 832,703	$ 698,520	$ 585,233	$ 631,128	$ 564,678
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 34,452	$ 28,952	$ 22,234	$ 28,698	$ 24,039
Accrued Liabilities	280	242	251	-	-
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	$ 34,732	$ 29,194	$ 22,485	$ 28,698	$ 24,039
FUND EQUITY					
Reserved	$ 362,358	$ 362,358	$ 311,120	$ 306,014	$ 306,678
Unreserved:					
Appropriated	291,217	274,819	135,651	167,663	124,367
Unappropriated	144,396	32,149	115,977	128,753	109,594
TOTAL FUND EQUITY	$ 797,971	$ 669,326	$ 562,748	$ 602,430	$ 540,639
TOTAL LIABILITIES and FUND EQUITY	$ 832,703	$ 698,520	$ 585,233	$ 631,128	$ 564,678

Source: Annual financial reports of the Town. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	2009	2010	2011	2012	2013
REVENUES					
Real Property Taxes	$ 424,001	$ 400,000	$ 428,800	$ 428,800	$ 479,362
Real Property Tax Items	7,969	7,807	11,677	8,513	8,854
Non-Property Tax Items	41,645	56,222	52,261	52,294	50,005
Departmental Income	15,426	12,563	8,192	940	785
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	5,785	4,269	3,087	1,766	3,504
Licenses and Permits	15,892	14,088	11,922	16,849	14,562
Fines and Forfeitures	31,642	53,268	49,911	48,306	53,591
Sale of Property and Compensation for Loss	-	-		5,443	191
Miscellaneous	981	409	520	2,920	-
Revenues from State Sources	218,840	197,674	176,523	162,120	210,386
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	$ 762,181	$ 746,300	$ 742,893	$ 727,951	$ 821,240
EXPENDITURES					
General Government Support	$ 393,544	$ 408,679	$ 386,412	$ 373,194	$ 398,772
Public Safety	68,422	53,453	55,877	56,723	43,519
Health	24,225	24,225	27,500	24,651	24,650
Transportation	86,698	88,662	93,646	92,329	89,906
Economic Assistance and Opportunity	3,994	3,800	3,981	3,900	4,100
Culture and Recreation	25,622	27,157	32,382	21,541	20,480
Home and Community Services	4,499	15,412	32,016	-	655
Employee Benefits	164,076	169,879	155,119	175,821	166,440
Debt Service	105,479	107,642	109,606	111,369	108,036
Total Expenditures	$ 876,559	$ 898,909	$ 896,539	$ 859,528	$ 856,558
Excess of Revenues Over (Under) Expenditures	$ (114,378)	$ (152,609)	$ (153,646)	$ (131,577)	$ (35,318)
Other Financing Sources (Uses):					
Operating Transfers In	68,800	25,000	25,000	25,000	75,000
Operating Transfers Out	(20,000)	-	-	-	-
Total Other Financing	$ 48,800	$ 25,000	$ 25,000	$ 25,000	$ 75,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(65,578)	(127,609)	(128,646)	(106,577)	39,682
FUND BALANCE					
Fund Balance - Beginning of Year	991,158	925,580	797,971	669,325	562,748
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 925,580	$ 797,971	$ 669,325	$ 562,748	$ 602,430

Source: Annual financial reports of the Town. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2014 Adopted Budget	2014 Unaudited Actual	2015 Adopted Budget
REVENUES			
Real Property Taxes	$ 488,062	$ 479,362	$ 488,062
Real Property Tax Items	-	8,084	-
Non-Property Tax Items	50,000	53,166	50,000
Departmental Income	800	1,210	800
Intergovernmental Charges	-	-	-
Use of Money & Property	2,100	2,154	2,000
Licenses and Permits	13,000	67,146	13,000
Fines and Forfeitures	50,000	42,128	50,000
Sale of Property & Compensation for Loss		-	-
Miscellaneous	-	-	-
Revenues from State Sources	165,000	148,714	165,000
Revenues from Federal Sources	-		
Total Revenues	$ 768,962	$ 801,964	$ 768,862
EXPENDITURES			
General Government Support	$ 440,110	$ 400,468	$ 436,724
Public Safety	47,145	44,665	42,145
Health	24,652	24,650	-
Transportation	97,710	96,793	98,277
Economic Assistance and Opportunity	5,600	2,200	4,100
Culture and Recreation	20,310	17,310	20,510
Home and Community Services	16,000	-	16,000
Employee Benefits	200,499	193,071	194,296
Debt Service	109,599	109,599	106,177
Total Expenditures	$ 961,625	$ 888,756	$ 918,229
Excess of Revenues Over (Under) Expenditures	$ (192,663)	$ (86,792)	$ (149,367)
Other Financing Sources (Uses):			
Operating Transfers In	25,000	25,000	149,367
Operating Transfers Out	-	-	-
Total Other Financing	$ 25,000	$ 25,000	$ 149,367
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(167,663)	(61,792)	-
FUND BALANCE			
Fund Balance - Beginning of Year	167,663	602,430	
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	$ -	$ 540,638	$ -

Source: Annual financial report and budgets of the Town. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:		2010		2011		2012		2013		2014
GENERAL FUND - PART TOWN										
Fund Equity - Beginning of Year	$	18,603	$	10,404	$	2,073	$	7,188	$	2,397
Revenues & Other Sources		99,225		93,732		104,381		104,080		112,380
Expenditures & Other Uses		107,424		102,063		99,266		108,871		110,027
Fund Equity - End of Year	$	10,404	$	2,073	$	7,188	$	2,397	$	4,750
HIGHWAY - TOWN WIDE										
Fund Equity - Beginning of Year	$	180,651	$	120,948	$	123,991	$	241,056	$	225,133
Residual Equity Transfers		-								
Revenues & Other Sources		367,265		402,308		442,623		361,014		421,753
Expenditures & Other Uses		426,968		399,265		325,558		376,937		412,323
Fund Equity - End of Year	$	120,948	$	123,991	$	241,056	$	225,133	$	234,563
HIGHWAY - PART TOWN										
Fund Equity - Beginning of Year	$	239,585	$	218,077	$	201,507	$	210,351	$	221,966
Revenues & Other Sources		897,679		972,275		938,102		971,635		1,012,740
Expenditures & Other Uses		919,187		988,845		929,258		960,020		1,025,032
Fund Equity - End of Year	$	218,077	$	201,507	$	210,351	$	221,966	$	209,674
SEWER FUND										
Fund Equity - Beginning of Year	$	238,451	$	232,279	$	206,274	$	191,221	$	193,714
Revenues & Other Sources		169,651		169,719		189,139		195,708		195,765
Expenditures & Other Uses		175,823		195,724		204,192		193,215		211,587
Fund Equity - End of Year	$	232,279	$	206,274	$	191,221	$	193,714	$	177,892
WATER FUND										
Fund Equity - Beginning of Year	$	431,131	$	435,169	$	367,120	$	394,153	$	360,320
Revenues & Other Sources		607,366		600,778		598,058		589,313		630,706
Expenditures & Other Uses		603,328		668,827		571,025		623,146		627,723
Fund Equity - End of Year	$	435,169	$	367,120	$	394,153	$	360,320	$	363,303

Source: Annual financial reports of the Town. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2015	$ 318,145	$ 19,949.88	$ 338,094.88
2016	324,567	15,963.63	340,530.63
2017	335,988	11,662.38	347,650.38
2018	332,410	7,402.38	339,812.38
2019	348,832	3,102.38	351,934.38
2020	241,554	775.57	242,329.57
2021	97,975	721.94	98,696.94
2022	99,397	667.50	100,064.50
2023	100,819	612.25	101,431.25
2024	102,240	556.19	102,796.19
2025	103,662	499.32	104,161.32
2026	105,084	442.44	105,526.44
2027	106,504	384.75	106,888.75
2028	107,926	326.25	108,252.25
2029	109,348	267.75	109,615.75
2030	110,769	209.25	110,978.25
2031	112,191	150.75	112,341.75
2032	113,613	92.25	113,705.25
2033	115,134	31.50	115,165.50
2034	115,156	-	115,156.00
2035	116,578	-	116,578.00
2036	118,000	-	118,000.00
2037	119,421	-	119,421.00
2038	120,843	-	120,843.00
2039	122,265	-	122,265.00
2040	123,686	-	123,686.00
TOTALS	$ 4,122,107	$ 63,818.36	$ 4,185,925.36

TOWN OF SCHAGHTICOKE

ANNAUL FINANCIAL REPORT UPDATE DOCUMENT

For the Year Ended December 31, 2014

Such Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Continuing Disclosure Statement.