ANNUAL FINANCIAL INFORMATION AND OPERATING DATA FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

OF THE

TOWN OF SCHAGHTICOKE RENSSELAER COUNTY, NEW YORK

DATED AS OF JUNE 24, 2019

IN CONNECTION WITH:

$2,419,718 Public Improvement (Serial) Bonds, 1999
$1,158,300 Public Improvement Refunding (Serial) Bonds, 2006

BOND ISSUES RELATING TO THE FILING

CUSIP BASE NO. 806279

The following are the bonds along with CUSIP numbers in which this filing is associated with:

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

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

Note: There are no CUSIP numbers associated with this issuance.

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

Dated: December 27, 2006 **Due: March 1, 2007-2033**

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2007	$ 80,000	5.000%	3.400%	BS3	2016	$ 95,000*	3.750%	3.700%	CB9	2025	$ 1,300*	4.375%	4.350%	CL7
2008	75,000	4.000	3.420	BT1	2017	100,000*	4.000	3.800	CC7	2026	1,300*	4.375	4.375	CM5
2009	70,000	4.000	3.440	BU8	2018	105,000*	4.000	3.850	CD5	2027	1,300*	4.500	4.400	CN3
2010	75,000	4.000	3.460	BV6	2019	110,000*	4.000	3.900	CE3	2028	1,300*	4.500	4.450	CP8
2011	80,000	4.000	3.480	BW4	2020	1,300*	4.125	4.100	CF0	2029	1,300*	4.500	4.440	CQ6
2012	85,000	4.000	3.500	BX2	2021	1,300*	4.125	4.150	CG8	2030	1,300*	4.500	4.460	CR4
2013	85,000	4.000	3.520	BY0	2022	1,300*	4.250	4.200	CH6	2031	1,300*	4.500	4.480	CS2
2014	90,000	4.000	3.560	BZ7	2023	1,300*	4.250	4.250	CJ2	2032	1,300*	4.500	4.500	CT0
2015	90,000	3.750	3.620	CA1	2024	1,300*	4.375	4.300	CK9	2033	1,300*	4.500	4.500	CU7

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

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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TOWN OF SCHAGHTICOKE
RENSSELAER COUNTY, NEW YORK

TOWN OFFICIALS

TOWN BOARD

TIMOTHY SALISBURY
Supervisor

DAVID AKIN
JOHN RUSTIN SR.

WILLIAM FOGARTY
JIM WESTHEAD

* * * * * * * * * * *

NANCY HARDER
Budget Officer

JENNIFER MOLESKY
Town Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ROEMER WALLENS & MINEAUX LLP
Bond Counsel

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 has traditionally been an agricultural community in its over 200 years of existence; but with a 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 Town. Sanitary sewer service is provided through Town interceptors that feed into the Rensselaer County and Saratoga County treatment plants. 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 two 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 195 children.

Source: Town officials.

Population Trends

Year	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
2017 (Estimate)	7,587	159,722	19,849,399
2018 (Estimate)	7,568	159,442	19,542,209

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2000 U.S. Census, and the 2006-2010 and 2013-2017 Census reports.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2013-2017	2000	2006-2010	2013-2017
Town of: Schaghticoke	$ 20,673	$ 28,328	$ 32,106	$ 57,423	$ 79,202	$ 85,000
County of: Rensselaer	21,095	27,457	33,067	52,864	68,390	81,817
State of: New York	23,389	30,948	31,177	51,691	67,405	70,850

Note: 2014-2018 American Community Survey estimates are not available as of the date of this Continuing Disclosure Statement.

Major Employers

Name of Employer	Business Type	Number Employed
Hoosic Valley School	Education	182
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

Source: Town officials.

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 of Rensselaer. The information set forth below with respect to the County and State of New York 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 or State is necessarily representative of the Town, or vice versa.

	Annual Averages						
	2012	2013	2014	2015	2016	2017	2018
Rensselaer County	7.7%	6.7%	5.4%	4.6%	4.3%	4.4%	3.9%
New York State	8.5	7.7	6.3	5.3	4.9	4.7	4.1

	2019 Monthly Figures					
	Jan	Feb	Mar	Apr	May	Jun
Rensselaer County	4.2%	4.1%	3.9%	3.3%	N/A	N/A
New York State	4.6	4.4	4.1	3.6	3.8%	N/A

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

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 himself. The Supervisor 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.

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.

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.

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2019 fiscal year, approximately 19.00% 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 10 full-time highway employees, 4 full-time Town Hall employees and 30 part-time positions.

Pension Payments

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS"). The ERS is generally also known as the "Common Retirement Fund." 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 System.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For ERS, Tier 5 provides for

- 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 pension form 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 & firefighters at 15% of non-overtime wages.

For ERS, Tier 6 provides for:

- Increase in contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The Town's payments to ERS since the 2014 fiscal year and the budgeted amount for the 2019 fiscal year are as follows:

Fiscal Year	ERS
2014	$ 124,691
2015	119,511
2016	89,137
2017	91,600
2018	96,860
2019 (Budgeted)	102,833

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not have any early retirement incentives outstanding.

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' retirement system. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS rates (2016 to 2020) is shown below:

Year	ERS
2016	18.2%
2017	15.5
2018	15.3
2019	14.9
2020	14.6

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

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 ERS, 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 2013-14 Adopted State Budget included a provision that authorized 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. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Town is not amortizing or smoothing any pension payments, nor does it intend to do so in the foreseeable future.

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.

Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* establishes new accounting and financial reporting requirements for OPEB plans.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45") required municipalities and school districts to account for OPEB liabilities much like they already accounted for 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 any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did 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") was 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 did 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.

Actuarial Valuations are required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

The Town currently does not have any OPEB liability, and therefore does not intend to have an actuarial valuation completed.

Financial Statements

The Town does not retain an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The financial affairs of the Town are subject to annual audits by the State Comptroller. See "New York State Comptroller Report of Examination" herein. The Town annually prepares an unaudited Annual Financial Report Update Document which is on file at the State Comptroller's office. The Town prepared an Annual Financial Report Update Document for the fiscal year ending December 31, 2018, which is attached hereto as "APPENDIX – C". Copies of other Annual Financial Report Update Documents of the Town are available and can be obtained by contacting Fiscal Advisors & Marketing, Inc. or the Town.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State. Except for the accounting for fixed assets, this system conforms to 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).

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the Town on August 11, 2017. The purpose of our audit was to evaluate the Board's oversight of the Town's water districts for the period January 1, 2015 through June 30, 2016.

<u>Key Findings</u>

- Duties related to billings, collections, deposits, and recordkeeping were not adequately segregated.
- The Board did not approve water billings and customer account adjustments.
- The Board did not perform an annual audit of the clerk's records and reports.

<u>Key Recommendations</u>

- Establish policies and procedures to provide guidance to employees involved in the billing and collection of water charges.
- Implement billing adjustment procedures that require Board approval for all adjustments, including written documentation for the reasons for such adjustments.
- Perform an annual audit of the clerk's records and reports.

The Town provided a complete response to the State Comptroller's office on December 7, 2017. This response stated that the Town intended to implement the following corrective action plan:

The Board will:

- Establish policies and procedures to provide guidance to employees involved in the billing and collection of water charges.
- Appoint the Town Clerk to account for water rents billings and collections.
- Appoint the Town Supervisor to approve all water districts' semiannual billing registers and verify them against the customer master list.
- Appoint the Town Clerk to review and approve billing adjustments including written documentation of the reasons for such adjustments.
- Continue to perform an annual audit of the Town Clerk's records and reports.

The Supervisor will:

- Approve all water district semiannual billing registers and verify them against the customer master list.
- Establish a master list of customers and use it to verify that all customers are billed appropriately. The semiannual billing registers currently are reviewed by the Board during the annual audit of the records of the Town Clerk.
- Establish the fourth bullet above.
- Continue to deposit collections to the Supervisor's account upon receipt of the Town Clerk's monthly cash report. The Town chooses not to change this procedure to mid-month deposits because the Town would lose a very important end-of-month receivable reconciliation between the Supervisor's office and the Town Clerk's records. This practice has proven over the years to be a system of checks and balances and it is the opinion of the Town that it should remain as is.

A copy of the complete report can be found via the website of the Office of the New York State Comptroller.

As of the date of this Continuing Disclosure Statement, there are no other recent State Comptroller's audits of the Town, nor are there any that are currently in progress or pending release.

The State Comptroller's 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 reports of the State Comptroller for the past three years for the Town are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2017	No Designation	6.7
2016	No Designation	28.8
2015	No Designation	22.5

Source: Website of the Office of the New York State Comptroller.

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending December 31:	2015	2016	2017	2018	2019
Assessed Valuation	$ 156,719,920	$ 156,843,748	$ 156,757,874	$ 156,586,174	$ 157,478,706
New York State Equalization Rate	24.40%	23.90%	22.80%	22.80%	23.44%
Total Taxable Full Valuation	$ 642,294,754	$ 656,249,992	$ 687,534,535	$ 686,781,465	$ 671,837,483

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending December 31:	2015	2016	2017	2018	2019
General	$ 6.57	$ 6.60	$ 6.60	$ 7.25	$ 7.29
Part-Town	1.99	2.47	2.47	2.12	2.61

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 Levy and Tax Collection Record

Fiscal Year Ending December 31:	2015	2016	2017	2018	2019
Total Tax Levy	$ 1,124,288	$ 1,227,526	$ 1,227,535	$ 1,296,568	$ 1,348,452
Amount Unpaid [1]	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

[1] See "Tax Collection Procedure" herein.

Largest Taxpayers 2018 Assessment Roll for 2019 Taxes

Name	Type	Assessed Valuation
National Grid	Utility	$ 4,148,000
Erie Blvd	Utility	1,927,000
City of Troy	Municipal Water Supply	1,357,550
NYSEG	Utility	1,121,920
D/R RV Resort	Campground	1,106,400
Erie Blvd Hydro	Utility	1,073,000
Copses Farm LLC	Farm	1,050,280
National Grid	Utility	865,809
Diamond Hill Building LLC	Nursing Home	802,600
National Grid	Utility	718,785
Warren W. Fane	Mine & Quarry	372,100
Samuel Travis	Private	295,000

The largest taxpayers listed above have a total assessed valuation of $14,838,444, which represents 9.42% of the Town's tax base.

As of the date of this Continuing Disclosure Statement, the Town does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the Town.

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 $3,018 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 was to expire on June 15, 2020 unless extended; recent legislation has made it permanent. 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.

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:	2014	2015	2016	2017	2018
Bonds	$ 4,122,107	$ 3,803,962	$ 3,479,395	$ 3,143,407	$ 2,810,997
Bond Anticipation Notes	62,015	0	0	0	0
Other Debt	0	0	0	0	406,828
Totals	$ 4,547,165	$ 4,184,122	$ 3,803,962	$ 3,143,407	$ 3,217,825

(1) Represents installment purchase contract indebtedness of the Town for the acquisition of vehicles.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of June 24, 2019.

Type of Indebtedness	Maturity		Amount
Bonds	2019-2040		$ 2,695,997
Bond Anticipation Notes			0
		Total Indebtedness	$ 2,695,997

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Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin shown as of June 24, 2019:

Five-Year Average Full Valuation of Taxable Real Property			$ 668,939,646
Debt Limit - 7% thereof			46,825,775
Inclusions:			
Bonds	$ 2,695,997		
Bond Anticipation Notes	0		
Total Inclusions		$ 2,695,997	
Exclusions			
Water Indebtedness [1]	$ 2,677,697		
Appropriations	0		
Total Exclusions		$ 2,677,697	
Total Net Indebtedness Subject to Debt Limit			$ 18,300
Net Debt-Contracting Margin			$ 46,807,475
Percent of Debt Contracting Power Exhausted			0.04%

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

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Continuing Disclosure Statement.

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 reasonably expect to issue such notes in the foreseeable future.

Capital Project Plans

There are currently no 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:

Municipality	Status of Debt as of	Gross Indebtedness [1]	Estimated Exclusions	Net Indebtedness	Town Share	Applicable Indebtedness
County of:						
Rensselaer	12/31/2017	$ 194,337,390	$ 60,030,333 [2]	$ 134,307,056	5.63%	$ 7,561,487
School District:						
Hoosic Valley	6/30/2018	17,199,325	13,931,453 [3]	3,267,872	62.76%	2,050,916
Lansingburgh	6/30/2018	34,865,000	32,633,640 [3]	2,231,360	25.67%	572,790
Mechanicville	6/30/2018	34,897,527	27,254,969 [3]	7,642,558	10.11%	772,663
					Total:	$ 10,957,856

(1) Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.
(2) Water and sewer debt and appropriations.
(3) Estimated State building aid based on current aid ratio.

Source: State Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2017 and 2018.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of June 24, 2019:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 18,300	$ 2.42	0.00%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	10,976,156	1,450.34	1.63

(a) The 2018 estimated population of the Town is 7,568. (See "THE TOWN – Population Trends" herein.)
(b) The Town's full value of taxable real estate for the 2019 fiscal year is $671,837,483. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.
(d) The Town's share of Net Overlapping Indebtedness is estimated to be $10,957,856. (See "Estimated Overlapping Indebtedness" herein.)

RATING

Moody's Investors Service ("Moody's") withdrew its rating on the Town's outstanding bonds on January 12, 2015 due to lack of provision of audited financial statements. Any desired explanation of the significance of such rating withdrawal should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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.

Dated: June 24, 2019

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	2014	2015	2016	2017	2018
ASSETS					
Cash and Short-term Investments	$ 543,656	$ 495,080	$ 494,454	$ 491,456	$ 414,548
Receivables:					
Accounts	21,022	24,114	22,788	-	17,313
State and Federal	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
TOTAL ASSETS	$ 564,678	$ 519,194	$ 517,242	$ 491,456	$ 431,861
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 24,039	$ 30,906	$ 41,012	$ 18,535	$ 19,266
Accrued Liabilities	-	125	109	-	233
Other Liabilities	-	-	5	7,111	-
Due to Other Funds	-	-	-	-	-
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	$ 24,039	$ 31,031	$ 41,126	$ 25,646	$ 19,499
FUND EQUITY					
Restricted	$ 306,678	$ 312,569	$ 311,112	$ 280,137	$ 171,994
Assigned	124,367	124,367	105,919	89,692	156,126
Unassigned	109,594	51,227	59,085	95,981	84,242
TOTAL FUND EQUITY	$ 540,639	$ 488,163	$ 476,116	$ 465,810	$ 412,362
TOTAL LIABILITIES and FUND EQUITY	$ 564,678	$ 519,194	$ 517,242	$ 491,456	$ 431,861

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	2013	2014	2015	2016	2017
REVENUES					
Real Property Taxes	$ 479,362	$ 479,362	$ 479,362	$ 487,541	$ 487,541
Real Property Tax Items	8,854	8,084	7,518	9,623	8,080
Non-Property Tax Items	50,005	53,166	51,136	51,957	51,596
Departmental Income	785	1,210	561	775	1,237
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	3,504	2,154	3,282	2,373	2,051
Licenses and Permits	14,562	67,146	24,485	14,505	19,100
Fines and Forfeitures	53,591	42,128	37,170	51,873	38,442
Sale of Property and Compensation for Loss	191	-	-	20	321
Miscellaneous	-	-	64	15	195
Revenues from State Sources	210,386	148,714	154,944	174,593	210,411
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	$ 821,240	$ 801,964	$ 758,522	$ 793,275	$ 818,974
EXPENDITURES					
General Government Support	$ 398,772	$ 400,468	$ 393,905	$ 390,451	$ 398,423
Public Safety	43,519	44,665	42,535	38,407	32,219
Health	24,650	24,650	-	-	-
Transportation	89,906	96,793	89,621	89,999	83,795
Economic Assistance and Opportunity	4,100	2,200	3,900	3,000	3,000
Culture and Recreation	20,480	17,310	17,210	20,236	20,333
Home and Community Services	655	-	-	7,385	29,211
Employee Benefits	166,440	193,071	182,648	173,079	178,250
Debt Service	108,036	109,599	106,177	107,766	109,050
Total Expenditures	$ 856,558	$ 888,756	$ 835,996	$ 830,323	$ 854,281
Excess of Revenues Over (Under) Expenditures	$ (35,318)	$ (86,792)	$ (77,474)	$ (37,048)	$ (35,307)
Other Financing Sources (Uses):					
Operating Transfers In	75,000	25,000	25,000	25,000	25,000
Operating Transfers Out	-	-	-	-	-
Total Other Financing	$ 75,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	39,682	(61,792)	(52,474)	(12,048)	(10,307)
FUND BALANCE					
Fund Balance - Beginning of Year	562,748	602,430	540,638	488,164	476,116
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 602,430	$ 540,638	$ 488,164	$ 476,116	$ 465,809

Source: Annual financial reports (unaudited) 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:	2018 Adopted Budget	2018 Unaudited Actual	2019 Adopted Budget
REVENUES			
Real Property Taxes	$ 502,564	$ 494,119	$ 502,219
Real Property Tax Items	-	7,981	-
Non-Property Tax Items	51,000	58,429	52,000
Departmental Income	765	765	765
Intergovernmental Charges	-	-	-
Use of Money & Property	2,200	5,233	3,000
Licenses and Permits	16,300	33,134	19,300
Fines and Forfeitures	40,000	38,085	41,000
Sale of Property & Compensation for Loss	-	67	-
Miscellaneous	-	218	-
Revenues from State Sources	205,000	160,584	145,000
Revenues from Federal Sources	-	-	-
Total Revenues	$ 817,829	$ 798,615	$ 763,284
EXPENDITURES			
General Government Support	$ 446,820	$ 416,112	$ 449,805
Public Safety	48,220	40,320	46,865
Health	-	-	-
Transportation	97,385	94,627	98,800
Economic Assistance and Opportunity	4,100	3,000	4,100
Culture and Recreation	20,680	20,410	20,700
Home and Community Services	5,000	-	5,000
Employee Benefits	205,199	192,578	208,262
Debt Service	105,117	110,016	110,878
Total Expenditures	$ 932,521	$ 877,063	$ 944,410
Excess of Revenues Over (Under) Expenditures	$ (114,692)	$ (78,448)	$ (181,126)
Other Financing Sources (Uses):			
Operating Transfers In	25,000	25,000	25,000
Operating Transfers Out	-	-	-
Total Other Financing	$ 25,000	$ 25,000	$ 25,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(89,692)	(53,448)	(156,126)
FUND BALANCE			
Fund Balance - Beginning of Year	89,692	465,809	156,126
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	$ -	$ 412,361	$ -

Source: 2018 Annual financial report (unaudited) and budgets of the Town. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	2014	2015	2016	2017	2018
GENERAL FUND - PART TOWN					
Fund Equity - Beginning of Year	$ 2,397	$ 4,750	$ 4,037	$ 9,666	$ 7,856
Prior Period Adjustment	-	(164)	-	-	-
Revenues & Other Sources	112,380	111,853	120,121	115,636	155,826
Expenditures & Other Uses	110,027	112,402	114,492	117,446	124,200
Fund Equity - End of Year	$ 4,750	$ 4,037	$ 9,666	$ 7,856	$ 39,482
HIGHWAY - TOWN WIDE					
Fund Equity - Beginning of Year	$ 225,133	$ 234,563	$ 208,901	$ 108,995	$ 90,651
Residual Equity Transfers	-	-	-	-	-
Revenues & Other Sources	421,753	409,235	438,323	425,911	562,125
Expenditures & Other Uses	412,323	434,897	538,229	444,255	448,186
Fund Equity - End of Year	$ 234,563	$ 208,901	$ 108,995	$ 90,651	$ 204,590
HIGHWAY - PART TOWN					
Fund Equity - Beginning of Year	$ 221,966	$ 209,674	$ 233,485	$ 226,670	$ 274,886
Revenues & Other Sources	1,012,740	1,025,204	1,116,427	1,226,904	1,197,069
Expenditures & Other Uses	1,025,032	1,001,393	1,123,242	1,178,688	1,234,414
Fund Equity - End of Year	$ 209,674	$ 233,485	$ 226,670	$ 274,886	$ 237,541
SEWER FUND					
Fund Equity - Beginning of Year	$ 193,714	$ 177,892	$ 171,998	$ 172,298	$ 125,881
Revenues & Other Sources	195,765	215,502	203,198	216,773	259,154
Expenditures & Other Uses	211,587	221,396	202,898	263,190	237,229
Fund Equity - End of Year	$ 177,892	$ 171,998	$ 172,298	$ 125,881	$ 147,806
WATER FUND					
Fund Equity - Beginning of Year	$ 360,320	$ 363,303	$ 363,659	$ 359,212	$ 394,078
Revenues & Other Sources	630,706	627,943	644,818	649,073	634,462
Expenditures & Other Uses	627,723	627,587	649,265	614,207	633,657
Fund Equity - End of Year	$ 363,303	$ 363,659	$ 359,212	$ 394,078	$ 394,883

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

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
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	$ 2,810,997	$ 8,840.09	$ 2,819,837.09

APPENDIX – C

TOWN OF SCHAGHTICOKE

RENSSELAER COUNTY, NEW YORK

ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

For the Fiscal Year Ending December 31, 2018

The unaudited Financial Report was 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.