

Borough of Naugatuck, Connecticut
Notes to the Financial Statements

Certificates of Participation

During August 2002, the Borough issued Certificates of Participation (COPS) obligations to finance the cost of improvements to its incinerator and sewer plant (Naugatuck Treatment Plant). Three individual certificates totaling \$28,670,000 were issued carrying annual interest rates ranging from 2.75 percent to 5.0 percent. Upon issuance of the certificates, the net proceeds of \$27,923,375 were deposited with the Borough's trustee for this transaction, Wells Fargo Bank Minnesota, National Association. As construction and fees are incurred on these projects, requisitions are submitted by the Borough to the trustee for vendor payment. At June 30, 2006, \$2,791,232.03 remained on deposit with the trustee as escrowed funds for these projects.

Certificates of participation payable at June 30, 2006, are summarized as follows:

Year Ending 6/30	Series 2002A Tx-Exempt WW	Series 2002A Tx-Exempt AMT	Series 2002B Taxable Incinerator	Total Principal	Total Interest
2007	\$ 150,000.00	\$ -	\$ 1,025,000.00	\$ 1,175,000.00	\$ 1,193,946.00
2008	155,000.00	285,000.00	1,220,000.00	1,660,000.00	1,153,821.00
2009	155,000.00	1,105,000.00	0.00	1,260,000.00	1,080,646.00
2010	160,000.00	1,145,000.00	0.00	1,305,000.00	1,035,751.00
2011	170,000.00	1,190,000.00	0.00	1,360,000.00	986,641.00
2012	175,000.00	1,235,000.00	0.00	1,410,000.00	932,921.00
2013	180,000.00	1,285,000.00	0.00	1,465,000.00	877,046.00
2014	185,000.00	1,335,000.00	0.00	1,520,000.00	818,806.00
2015	195,000.00	1,405,000.00	0.00	1,600,000.00	744,656.00
2016	200,000.00	1,475,000.00	0.00	1,675,000.00	666,606.00
2017	210,000.00	1,550,000.00	0.00	1,760,000.00	584,656.00
2018	220,000.00	1,600,000.00	0.00	1,820,000.00	496,231.00
2019	230,000.00	1,680,000.00	0.00	1,910,000.00	408,056.00
2020	240,000.00	1,765,000.00	0.00	2,005,000.00	313,419.00
2021	250,000.00	1,855,000.00	0.00	2,105,000.00	214,069.00
2022	265,000.00	1,950,000.00	0.00	2,215,000.00	109,756.00
	\$ 3,140,000.00	\$ 20,860,000.00	\$ 2,245,000.00	\$ 26,245,000.00	\$ 11,617,027.00

28,132,100

In addition, the Borough is contractually obligated to pay \$964,114 to Veolia Corporation during June 30, 2008, as an incinerator fuel adjustment charge.

Amounts
 posted to
 Fund

BOND DEBT SERVICE

**Borough of Naugatuck, Connecticut
Series 2002A Tax-Exempt AMT (Incinerator)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	
12/15/2002			361,848.39	361,848.39		
06/15/2003			486,065.00	486,065.00	877,913.39	02-03
12/15/2003			486,065.00	486,065.00		03-04
06/15/2004			486,065.00	486,065.00	92,130.00	04-05
12/15/2004			486,065.00	486,065.00		05-06
06/15/2005			486,065.00	486,065.00	92,130.00	06-07
12/15/2005			486,065.00	486,065.00		07-08
06/15/2006			486,065.00	486,065.00	92,130.00	08-09
12/15/2006			486,065.00	486,065.00		09-10
06/15/2007			486,065.00	486,065.00	92,130.00	10-11
12/15/2007			486,065.00	486,065.00		11-12
06/15/2008	285,000	3.400%	486,065.00	771,065.00	1,257,130.00	12-13
12/15/2008			481,220.00	481,220.00		13-14
06/15/2009	1,105,000	3.600%	481,220.00	1,586,220.00	2,077,440.00	14-15
12/15/2009			461,330.00	461,330.00		15-16
06/15/2010	1,145,000	3.800%	461,330.00	1,606,330.00	2,077,660.00	16-17
12/15/2010			439,575.00	439,575.00		17-18
06/15/2011	1,190,000	4.000%	439,575.00	1,629,575.00	2,099,150.00	18-19
12/15/2011			415,775.00	415,775.00		19-20
06/15/2012	1,215,000	4.000%	415,775.00	1,650,775.00	2,065,550.00	20-21
12/15/2012			391,075.00	391,075.00		21-22
06/15/2013	1,285,000	4.000%	391,075.00	1,676,075.00	2,077,150.00	
12/15/2013			365,375.00	365,375.00		
06/15/2014	1,335,000	5.000%	365,375.00	1,700,375.00	2,057,500.00	
12/15/2014			332,000.00	332,000.00		
06/15/2015	1,405,000	5.000%	332,000.00	1,737,000.00	2,099,000.00	
12/15/2015			296,875.00	296,875.00		
06/15/2016	1,475,000	5.000%	296,875.00	1,771,875.00	2,087,500.00	
12/15/2016			260,000.00	260,000.00		
06/15/2017	1,550,000	5.000%	260,000.00	1,810,000.00	2,000,000.00	
12/15/2017			221,250.00	221,250.00		
06/15/2018	1,600,000	5.000%	221,250.00	1,821,250.00	2,025,000.00	
12/15/2018			181,250.00	181,250.00		
06/15/2019	1,680,000	5.000%	181,250.00	1,861,250.00	2,025,000.00	
12/15/2019			139,250.00	139,250.00		
06/15/2020	1,765,000	5.000%	139,250.00	1,904,250.00	2,035,000.00	
12/15/2020			95,125.00	95,125.00		
06/15/2021	1,855,000	5.000%	95,125.00	1,950,125.00	2,052,500.00	
12/15/2021			48,750.00	48,750.00		
06/15/2022	1,950,000	5.000%	48,750.00	1,998,750.00	2,075,000.00	
	20,860,000		13,966,263.39	34,826,263.39	34,826,263.39	

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BOND DEBT SERVICE**Borough of Naugatuck, Connecticut
Series 2002B Taxable (Incinerator)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	
12/15/2002			61,629.76	61,629.76		02-03
06/15/2003			82,786.25	82,786.25	44,416.01	
12/15/2003			82,786.25	82,786.25		
06/15/2004			82,786.25	82,786.25	65,572.50	03-04
12/15/2004			82,786.25	82,786.25		
06/15/2005	1,145,000	3.150%	82,786.25	1,227,786.25	1,10,572.50	04-05
12/15/2005			64,752.50	64,752.50		
06/15/2006	995,000	3.500%	64,752.50	1,059,752.50	1,24,505.00	05-06
12/15/2006			47,340.00	47,340.00		
06/15/2007	1,025,000	4.000%	47,340.00	1,072,340.00	1,19,680.00	06-07
12/15/2007			26,840.00	26,840.00		
06/15/2008	1,220,000	4.400%	26,840.00	1,246,840.00	1,73,680.00	07-08
	4,385,000		753,426.01	5,138,426.01	5,38,426.01	

BOND DEBT SERVICE

**Borough of Naugatuck, Connecticut
Series 2002 Tax-Exempt (Wastewater)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/15/2002			50,505.44	50,505.44	
06/15/2003			67,843.13	67,843.13	118,348.57
12/15/2003			67,843.13	67,843.13	
06/15/2004			67,843.13	67,843.13	136,686.26
12/15/2004			67,843.13	67,843.13	
06/15/2005	140,000	3.000%	67,843.13	207,843.13	279,686.26
12/15/2005			65,743.13	65,743.13	
06/15/2006	145,000	3.000%	65,743.13	210,743.13	279,486.26
12/15/2006			63,568.13	63,568.13	
06/15/2007	150,000	2.750%	63,568.13	213,568.13	279,136.26
12/15/2007			61,505.63	61,505.63	
06/15/2008	155,000	3.100%	61,505.63	216,505.63	279,011.26
12/15/2008			59,103.13	59,103.13	
06/15/2009	155,000	3.300%	59,103.13	214,103.13	279,206.26
12/15/2009			56,545.63	56,545.63	
06/15/2010	160,000	3.500%	56,545.63	216,545.63	279,091.26
12/15/2010			53,745.63	53,745.63	
06/15/2011	170,000	3.600%	53,745.63	223,745.63	277,491.26
12/15/2011			50,685.63	50,685.63	
06/15/2012	175,000	3.700%	50,685.63	225,685.63	275,371.26
12/15/2012			47,448.13	47,448.13	
06/15/2013	180,000	3.800%	47,448.13	227,448.13	274,896.26
12/15/2013			44,028.13	44,028.13	
06/15/2014	185,000	4.000%	44,028.13	229,028.13	273,056.26
12/15/2014			40,328.13	40,328.13	
06/15/2015	195,000	4.000%	40,328.13	235,328.13	275,656.26
12/15/2015			36,428.13	36,428.13	
06/15/2016	200,000	4.100%	36,428.13	236,428.13	272,856.26
12/15/2016			32,328.13	32,328.13	
06/15/2017	210,000	4.250%	32,328.13	242,328.13	274,656.26
12/15/2017			27,865.63	27,865.63	
06/15/2018	220,000	4.625%	27,865.63	247,865.63	275,731.26
12/15/2018			22,778.13	22,778.13	
06/15/2019	230,000	4.625%	22,778.13	252,778.13	275,556.26
12/15/2019			17,459.38	17,459.38	
06/15/2020	240,000	4.625%	17,459.38	257,459.38	274,918.76
12/15/2020			11,909.38	11,909.38	
06/15/2021	250,000	4.625%	11,909.38	261,909.38	273,818.76
12/15/2021			6,128.13	6,128.13	
06/15/2022	265,000	4.625%	6,128.13	271,128.13	272,256.26
	3,425,000		1,784,917.51	5,209,917.51	5,209,917.51

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