

RESOLUTION NO. 334-12

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FARMINGTON, WASHINGTON, authorizing a short-term inter-fund loan totaling \$ 32,415.67 to pay off the FARMINGTON STATE BANK Water Loan, Number 10-834.

PREMISES;

- A. The Town Council has determined that it is in the best interest of the Town to obtain an inter-fund loan from the Current Expense Fund,
- B. The above fund has monies available in reserve in excess of the respective, present needs of the fund.

BE IT HEREBY RESOLVED that the following amount shall be borrowed from the following fund to provide interim financing for the pay off of the Farmington State Bank Water Loan, Number 10-834.

Current Expense Fund:	\$ 32,415.67
TOTAL	<u>\$ 32,415.67</u>

This sum, together with interest thereon at the rate of 4% per annum, shall be repaid within three (3) years from the date of disbursement. Interest shall accrue on the unpaid, principal balance of the loan from the date of disbursement, until the entire principal balance and interest have been repaid to the Current Expense fund from which it was borrowed.

PASSED BY THE TOWN COUNCIL OF THE TOWN OF FARMINGTON,
WASHINGTON, this 13th day of June, 2012.

COUNCIL MEMBERS:

Kelly Turk
Aileen Haining
David Baker
Diana K. Lowrey
[Signature]

APPROVED:

[Signature]
Mayor Ronald S. Dugan

ATTEST:

[Signature]
Barbara Dial-Flomer, CLERK-TREASURER

Fixed Rate 4.000
Funding \$32,415.67

Payment Date	Payment	Principle	Interest	Remaining Balance
06-23-12	957.07	850.50	106.57	31,565.17
07-23-12	957.07	849.83	107.24	30,715.34
08-23-12	957.07	852.72	104.35	29,862.62
09-23-12	957.07	858.89	98.18	29,003.73
10-23-12	957.07	858.54	98.53	28,145.19
11-23-12	957.07	864.54	92.53	27,280.65
12-23-12	957.07	864.39	92.68	26,416.26
01-23-13	957.07	867.33	89.74	25,548.93
02-23-13	957.07	878.67	78.40	24,670.26
03-23-13	957.07	873.26	83.81	23,797.00
04-23-13	957.07	878.83	78.24	22,918.17
05-23-13	957.07	879.21	77.86	22,038.96
06-23-13	957.07	884.61	72.46	21,154.35
07-23-13	957.07	885.20	71.87	20,269.15
08-23-13	957.07	888.21	68.86	19,380.94
09-23-13	957.07	893.35	63.72	18,487.59
10-23-13	957.07	894.26	62.81	17,593.33
11-23-13	957.07	899.23	57.84	16,694.10
12-23-13	957.07	900.36	56.71	15,793.74
01-23-14	957.07	903.41	53.66	14,890.33
02-23-14	957.07	911.38	45.69	13,978.95
03-23-14	957.07	909.58	47.49	13,069.37
04-23-14	957.07	914.10	42.97	12,155.27
05-23-14	957.07	915.78	41.29	11,239.49
06-23-14	957.07	920.12	36.95	10,319.37
07-23-14	957.07	922.01	35.06	9,397.36
08-23-14	957.07	925.14	31.93	8,472.22
09-23-14	957.07	929.22	27.85	7,543.00
10-23-14	957.07	931.44	25.63	6,611.56
11-23-14	957.07	935.33	21.74	5,676.23
12-23-14	957.07	937.79	19.28	4,738.44
01-23-15	957.07	940.97	16.10	3,797.47
02-23-15	957.07	945.42	11.65	2,852.05
03-23-15	957.07	947.38	9.69	1,904.67
04-23-15	957.07	950.81	6.26	953.86
05-23-15	957.10	953.86	3.24	0.00
Loan Totals	34454.55	32415.67	2038.88	-

Resolution 334-12

Amortization



Borrower name - *Water Fund*
 Address *TOF*
 Loan number *001*

Town of Farmington

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Date	<i>Pay date</i>	Amount	Payment	Principal	Interest	Remaining Balance
06-01-2012	Fixed Rate	4.000				
06-01-2012	Funding	32,415.67				32,415.67
07-01-2012	Regular Pmt <i>06-23-12</i>		957.07	850.50	106.57	31,565.17
08-01-2012	Regular Pmt <i>07-23-12</i>		957.07	849.83	107.24	30,715.34
09-01-2012	Regular Pmt <i>08-23-12</i>		957.07	852.72	104.35	29,862.62
10-01-2012	Regular Pmt <i>09-23-12</i>		957.07	858.89	98.18	29,003.73
11-01-2012	Regular Pmt <i>10-23-12</i>		957.07	858.54	98.53	28,145.19
12-01-2012	Regular Pmt <i>11-23-12</i>		957.07	864.54	92.53	27,280.65
12 Totals:			5,742.42	5,135.02	607.40	
01-01-2013	Regular Pmt <i>12-23-12</i>		957.07	864.39	92.68	26,416.26
02-01-2013	Regular Pmt <i>01-23-13</i>		957.07	867.33	89.74	25,548.93
03-01-2013	Regular Pmt <i>02-23-13</i>		957.07	878.67	78.40	24,670.26
04-01-2013	Regular Pmt <i>03-23-13</i>		957.07	873.26	83.81	23,797.00
05-01-2013	Regular Pmt <i>04-23-13</i>		957.07	878.83	78.24	22,918.17
06-01-2013	Regular Pmt <i>05-23-13</i>		957.07	879.21	77.86	22,038.96
07-01-2013	Regular Pmt <i>06-23-13</i>		957.07	884.61	72.46	21,154.35
08-01-2013	Regular Pmt <i>07-23-13</i>		957.07	885.20	71.87	20,269.15
09-01-2013	Regular Pmt <i>08-23-13</i>		957.07	888.21	68.86	19,380.94
10-01-2013	Regular Pmt <i>09-23-13</i>		957.07	893.35	63.72	18,487.59
11-01-2013	Regular Pmt <i>10-23-13</i>		957.07	894.26	62.81	17,593.33
12-01-2013	Regular Pmt <i>11-23-13</i>		957.07	899.23	57.84	16,694.10
2013 Totals:			11,484.84	10,586.55	898.29	
01-01-2014	Regular Pmt <i>12-23-13</i>		957.07	900.36	56.71	15,793.74
02-01-2014	Regular Pmt <i>01-23-14</i>		957.07	903.41	53.66	14,890.33
03-01-2014	Regular Pmt <i>02-23-14</i>		957.07	911.38	45.69	13,978.95
04-01-2014	Regular Pmt <i>03-23-14</i>		957.07	909.58	47.49	13,069.37
05-01-2014	Regular Pmt <i>04-23-14</i>		957.07	914.10	42.97	12,155.27

06-01-2014	Regular Pmt	05-23-14	957.07	915.78	41.29	11,239.49
07-01-2014	Regular Pmt	06-23-14	957.07	920.12	36.95	10,319.37
08-01-2014	Regular Pmt	07-23-14	957.07	922.01	35.06	9,397.36
09-01-2014	Regular Pmt	08-23-14	957.07	925.14	31.93	8,472.22
10-01-2014	Regular Pmt	09-23-14	957.07	929.22	27.85	7,543.00
11-01-2014	Regular Pmt	10-23-14	957.07	931.44	25.63	6,611.56
12-01-2014	Regular Pmt	11-23-14	957.07	935.33	21.74	5,676.23
2014 Totals:			11,484.84	11,017.87	466.97	
01-01-2015	Regular Pmt	12-23-14	957.07	937.79	19.28	4,738.44
02-01-2015	Regular Pmt	01-23-15	957.07	940.97	16.10	3,797.47
03-01-2015	Regular Pmt	02-23-15	957.07	945.42	11.65	2,852.05
04-01-2015	Regular Pmt	03-23-15	957.07	947.38	9.69	1,904.67
05-01-2015	Regular Pmt	04-23-15	957.07	950.81	6.26	953.86
06-01-2015	Final Pmt	05-23-15	957.10	953.86	3.24	0.00
2015 Totals:			5,742.45	5,676.23	66.22	
Loan Totals:			34,454.55	32,415.67	2,038.88	

Printed on: 05-24-2012

Chapter 4. Interfund Transactions
Section A. Interfund Loans

This section does not attempt to determine which money of a municipality may or may not be available for interfund lending, since the special character of some money involves commitments and restrictions which would require individual consideration. As a rule of thumb, however, it may be considered permissible to make interfund loans of those municipal money which are clearly inactive or in excess of anticipated cash needs throughout the duration of the loan and legally available for investment.

The minimum acceptable procedures for making and accounting for interfund loans are as follows:

1. The legislative body of a municipality must, by ordinance or resolution, approve all interfund loans, including the lending fund, and provide in the authorization a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest (based on the external rate available to the municipality) to be paid to the lending fund.
2. Interest should be charged in all cases, unless:
 - a. The borrowing fund has no other source of revenue other than the lending fund; or
 - b. The borrowing fund is normally funded by the lending fund.
3. The borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments as required in the authorizing ordinance or resolution.
4. The term of the loan may continue over a period of more than one year, but must be "temporary" in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. A loan that continues longer than three years will be scrutinized for a "permanent diversion" of moneys. (Note: these restrictions and limitations do not apply to those funds which are legally permitted to support one another through appropriations, transfers, advances, etc.)
5. Appropriate accounting records should be maintained to reflect the balances of loans in every fund affected by such transactions.