



**Riverbend Water Resource District
Restricted Funds Policy
May 27, 2020**

Scope

This Restricted Funds Policy shall govern the restriction of certain funds of the Riverbend Water Resources District (“RWRD” or the “District”). These funds are accounted for in the District's Basic Annual Financial Report and may include items within the following funds: 1) General Fund; 2) Special Revenue Funds; 3) Capital Projects Funds; 4) Enterprise Funds; 5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately; and 6) Debt Service Funds.

Purpose

The purpose of this Restricted Funds Policy is to provide a list of available funds held in certain accounts that may be restricted for internal management and used for meeting future debt service obligations. This list of internally restricted funds may not include funds that may otherwise be restricted by law, bond resolutions/obligations, and any existing contract.

Investments and Restrictions

These restricted funds may be invested in accordance with the District’s Investment Policy and Strategies; however, these funds may not be used as operation revenues/income nor loaned or pledged against a loan, unless this policy is amended to reflect the otherwise use of a certain restricted fund.

This Restricted Funds Policy designates the following funds to be restricted:

Restricted – Legal

- The portion of funds from monthly facility charges required to meet semi-annual bond debt obligations for the current fiscal year;
- The portion of funds held in reserves which are legally pledged to secure bond debt in proportion to the amount of debt remaining on said bonds



Restricted – Internal

- The excess remaining portion of funds from monthly facility charges not used to meet current semi-annual bond debt obligations for the current fiscal year;
- The portion of funds held in reserve which are no longer legally pledged to secure bond debt;
- The proceeds from Series B Bonds held for the benefit of Army construction projects;
- The proceeds from Series A Bonds held for the benefit of planning and acquisition of water and wastewater projects;
- The portion of water and wastewater net income from commercial and residential customers to provide for rate stabilization;
- Approximately 90 days of operational expenses for the Wet Utility; and
- All earned interest income.