



FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

GENERAL POLICY No. 312
SUBJECT: FINANCIAL FORECAST AND PLAN

I. PURPOSE:

Accepted management practices make it imperative for the Cooperative to make long-range forecasts of the financial activities of the Cooperative in order to allow for appropriate future planning. The purpose of this policy is to detail the factors relating to these activities.

The Financial Forecast shall be developed to:

- A. Provide an orderly and usable format to assist in the determination of anticipated revenue, expenses, margins, capital requirements, and accumulated general funds.
- B. Provide supportive data for long- and short-range financial plans and policies.
- C. Comply with requirements of the Board of Directors for a current financial forecast to support any loan application.

The Financial Plan shall be derived from the Financial Forecast to help:

- A. Determine use of accumulated general funds.
- B. Develop appropriate reserves and determine investment practices.
- C. Determine capital needs to meet financial requirements.

II. POLICY:

It shall be the policy of the Cooperative to maintain a current ten-year Financial Forecast in conformity with a Financial Plan for the most effective utilization of the financial resources of the Cooperative.

III. RESPONSIBILITY:

The CEO/General Manager is responsible for seeing that the provisions of this policy are carried out.

IV. PROVISIONS:

The following provisions and procedures apply to this policy:

- A. The CEO/General Manager shall be responsible for the periodic development of the statistical data for the Financial Forecast and Financial Plan. These documents shall be updated at two-year intervals, or more often, if necessary.
- B. The Financial Forecast and Plan shall be based on and include:
 - 1. Power requirement studies prepared for the Cooperative.
 - 2. Long range work plans and engineering studies.
 - 3. Past experience with Financial Forecasts and Plans, operational activities, and other factors affecting the Cooperative.
 - 4. Other studies which provide data pertinent to the future of the Cooperative.
- C. The CEO/General Manager shall present completed Financial Forecasts and Plans to the Board of Directors for consideration and appropriate action.

V. PRIMACY OF POLICY

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

APPROVED BY THE CEO/GENERAL MANAGER



Bryan Case, CEO/GM

DATE EFFECTIVE: November 27, 2000

DATE REVISED: October 27, 2014

April 22, 2019

April 25, 2022

March 27, 2023

July 30, 2024