

4 RIVERS ELECTRIC COOPERATIVE, INC.  
LEBO, KANSAS

## Board of Trustees Policy

Subject: <b>Financial Goals</b>			Policy No: <b>202</b>
Original Issue: 01/20/2020	Last Revised: 01/20/2020	Last Reviewed: 04/21/2025	Page 1 of 1

### I. OBJECTIVE

To provide guidelines and direction from the Board of Trustees of 4 Rivers Electric Cooperative, Inc. (Cooperative) in order to maintain a sound financial position and provide security for the financial resources of the Cooperative.

### II. POLICY

- A. The Board of Trustees will, periodically, set short-term and long-term financial goals for the Cooperative with the aid of 10 year financial forecasts, cost of service studies, other reports, and in consultation with the General Manager/Chief Executive Officer (CEO), the Chief Financial Officer, and other experts as may be needed. Goals shall take into consideration long-term debt interest rate reduction incentives of minimum equity targets, growth requirements of the Cooperative, and equity retirement.
- B. The Board of Trustees shall not approve financial forecasts or goals which fail to meet minimum financial loan covenant requirements, including annualizing multi-year average covenants.
- C. The Cooperative will maintain a minimum liquidity, cash on hand or available in lines of credit, of at least 30 days of expenditures.
  - 1. 30 days of liquidity requirement shall be calculated as the annual financial forecasted expenses, less non-cash expenses like depreciation, divided by 365 times 30 days.

### III. RESPONSIBILITY

- A. The President of the Board of Trustees shall be responsible for the administration of this policy.

04/21/2025

Date

/s/ Warren Schmidt

Board of Trustees, Secretary