



2022 ANNUAL REPORT

Flint Hills RECA

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Chuck Goeckel
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Member Services

- ▶ Viasat Internet Services
- ▶ Online Payment Options
- ▶ Outside Security Lighting
- ▶ Power Surge Protection
- ▶ Rebate Programs

For more information, call us at 620-767-5144 or visit our website at www.flinthillsrec.com.

This institution is an equal opportunity provider and employer

FROM THE MANAGER

2022 Annual Meeting and Year in Review



Chuck Goeckel

“We always look forward to seeing our members and hope you can join us at your annual meeting on March 30, 2023.”

The Board of Trustees and the staff of Flint Hills Rural Electric Cooperative Association invite you to attend Flint Hills REC's 85th Annual Meeting. The meeting provides you the opportunity to become more informed with the programs and activities of your electric cooperative and allows the board and staff to engage with you and obtain your feedback.

This past year was a successful year for your electric cooperative as we strive to meet our mission to provide safe reliable and affordable power to you, our consumer-member.

Safety

Safety continues to be a top priority for our employees, consumer-members and communities. In 2022, Flint Hills REC had no lost time for injuries. We are very proud of our employees for continuing to put safety first and making it a priority in their daily jobs.

In 2022, we began taking our safety demonstration trailer out into the community and we look forward to even more events in 2023. If you have an event or group you would like our safety demonstration and employees to visit, please contact our office.

We continue to provide electric safety information to our consumer-members through *Kansas Country Living* magazine, our website and our Facebook page.

Employees are trained to look for opportunities to keep our electric distribution system safe for those that live, work and play in the communities we serve. Monthly employee safety meetings and daily job briefings are constant reminders to the employees of the safety sensitive tasks they must perform each day.

Continued on page 12C ▶

More ON THE COVER



We hope you enjoy the new format of the 2022 Flint Hills Annual Report. You can find the following information on the

FRONT COVER:
Ballot & Instructions
Committee Minutes
Board of Trustees
Candidate Information
Envelope for Voting
Notice of Meeting

BACK COVER:
2022 Annual Meeting Minutes
Meeting Schedule
RSVP for Dinner

Financial Reports

Operating Statement

FOR YEAR ENDING ON DEC. 31, 2022 (UNAUDITED)

	2021	2022
Income		
Electric Revenue	\$12,084,553	\$12,896,897
Expenses		
Operations and Maintenance	\$3,246,254	\$3,597,101
Power Cost	\$6,471,289	\$7,122,731
Depreciation	\$1,307,428	\$1,342,826
Interest	\$509,376	\$582,591
Total Expenses	\$11,534,347	\$12,645,249
Net Income		
Operating Margin	\$550,206	\$251,648
Non-Operating Margins	\$171,117	\$284,384
Total Margin	\$721,323	\$536,032

Balance Sheet

FOR YEAR ENDING ON DEC. 31, 2022 (UNAUDITED)

	2021	2022
Assets (What We Own)		
Cash on Hand/Bank	\$460,317	\$265,183
Short-Term Investments	\$2,905,000	\$4,510,000
Investments in Associated Organizations	\$5,534,726	\$5,576,819
Accounts Receivable (Net)	\$919,306	\$1,358,247
Materials and Supplies	\$172,641	\$381,655
Prepaid Expenses	\$19,692	\$20,012
Deferred Charges & Other Current Assets	\$134,057	\$71,090
Plant Less Depreciation	\$27,420,477	\$27,825,070
Total Assets	\$37,566,216	\$40,008,076
Liabilities (Our Obligations)		
Total Debt	\$15,525,398	\$17,289,146
Accounts Payable	\$638,311	\$828,111
Accrued Taxes, Other Liabilities and Reserves	\$683,570	\$1,089,527
Equity		
Member/Ownership	\$20,718,937	\$20,801,292
Liabilities/Net Worth	\$37,566,216	\$40,008,076

2022 in Review Continued from page 12A

Reliability

Consumer-member outage data is thoroughly reviewed by our employees to identify and update electric lines and equipment most susceptible to failure from weather, trees, age and other factors that increase the likelihood of future outages and other power reliability concerns. Enhancements in 2022 included the replacement of 435 poles, the rebuild of 4 miles of electric distribution line, 42 new service builds and 59 service updates.

We are always looking at ways to enhance our system's reliability. We utilize total minutes off per meter to analyze how we are doing. The USDA Rural Utility Service reliability guidelines recommend outage times of less than 200 minutes per meter per year. We are proud to say in 2022 Flint Hills REC was at 96 minutes per meter per year. It is important to understand that these numbers are used to determine the overall health of Flint Hills REC's electric distribution system, and these numbers exclude power supply outages, major events and scheduled outages. There are many factors that contribute to this success such as the efforts of our employees to maintain and update our system, response time to outages, tree trimming and pole inspections, to name a few.

Financial Update

Operating margins were minimal over the past three years, but

Member equity on Dec. 31, 2022, was \$20.8 million, or 52% of total assets. Approximately \$495,055 of capital credits were paid to the membership in 2022, with an additional \$489,000 approved for payment in 2023.

the cooperative's balance sheet remains strong.

To improve operating margins, Flint Hills REC completed a study of the co-op's cost of providing electric service and our rates. It was determined that annual electric revenues need to be increased by \$934,000, or 7.7%, to cover increased expenses for building, maintaining, and upgrading the electric distribution facilities, wages and benefits, inflation, and the overall cost of doing business.

The last rate increase was approved seven years ago in 2015. To learn more about the new rates look at the December 2022 issue of your *Kansas Country Living* magazine or visit our website www.flinthillsrec.com.

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For more information on financials see the Dec. 31, 2022, financial report on Page 12B.

We always look forward to seeing our members and hope you can join us at your annual meeting on March 30, 2023.

Enhancements in 2022 included the replacement of 435 poles, the rebuild of 4 miles of electric distribution line, 42 new service builds and 59 service updates.

Facts & FIGURES

TOTAL kWh SALES

\$83,556,015

UP FROM \$77,843,263 IN 2021

MILES OF LINE

2,579

UP FROM 2,572 IN 2021

METERS SERVED

6,660

UP FROM 6,628

PLANT INVESTMENT

\$39,393,163

UP FROM \$37,895,251 IN 2021



Students Invited to Apply for Leadership Opportunities

Flint Hills REC has a strong tradition of promoting youth leadership and that tradition will continue with two in-person leadership programs this summer. Flint Hills REC will select two individuals and they will have their choice to attend one of two all-expenses-paid trips to either the Electric Cooperative Youth Tour or the Cooperative Youth Leadership Camp.

The two winners will also receive a \$500 scholarship. We will also select an alternate in the event one of the winners can not attend their trip and the alternate will receive a \$300 scholarship.

The contest is open to all current high school sophomores and juniors in Flint Hills' service area whose parents or guardians are members of Flint Hills RECA. Contest entrants will be interviewed and required to take an open book test covering material that will be made available to each contestant.

Electric Cooperative Youth Tour — June 15-22, 2023

Students will join youth from across the nation in Washington, D.C. They will see the monuments and other attractions, as well as visit Capitol Hill to learn more about how our government works. Those selected for this experience also can apply for the Kansas seat on a national youth leadership council.

Cooperative Youth Leadership Camp — July 14-20, 2023

Held near Steamboat Springs, Colorado, high school students from electric cooperative communities in Colorado, Kansas, Oklahoma and Wyoming participate in this leadership camp. Together, they will create a candy cooperative, hear from dynamic speakers, and raft down the Colorado River.

How to Apply

If you know of a student with strong leadership potential who is ready for new experiences, would like to network with other student leaders, and is willing to learn more about themselves and their communities, encourage them to apply for these incredible leadership opportunities. To apply, you can call our office at 620-767-5144, email us for an application at memberservices@flinthillsrec.com or visit our website at WWW.FLINTHILLSREC.COM/YOUTH-TOUR. **APPLY BY MARCH 1, 2023.**

Electric Cooperative Youth Tour



Youth Tour delegates pose outside the White House.



During Youth Tour, students visit many of the memorials around Washington, D.C.

Cooperative Youth Leadership Camp



At camp, youth form a candy cooperative, learning the ins and outs of the co-op business model.



Campers go whitewater rafting during camp to test their communication and teamwork skills.

APPLICATION DATE EXTENDED

Due March 8, 2023

Complete and return this application to Flint Hills RECA, Attn: Travis Griffin, P.O. Box B, Council Grove, KS 66846, or tgriffin@flinthillsrec.com.

Name of Applicant

Date of Birth

Address

City, State Zip

School

Year in School

Name of Parent(s)/Guardian(s)

Phone Number

I AGREE THAT ALL INFORMATION SUPPLIED IN THIS APPLICATION IS ACCURATE AND TRUE.

Signature of Applicant

I HEREBY GRANT PERMISSION FOR TO APPLY FOR THE 2023 COOPERATIVE YOUTH LEADERSHIP CAMP OR ELECTRIC COOPERATIVE YOUTH TOUR SPONSORED BY FLINT HILLS RECA.