



NEWS

FLINT HILLS REC

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Trustee

Roger Zimmerman
Trustee

STAFF

Chuck Goeckel
General Manager

FROM THE MANAGER

2023 Manager's Report



Chuck Goeckel

The Flint Hills Rural Electric Cooperative Association (Flint Hills REC) Board of Trustees and staff invite you to attend Flint Hills REC's 86th Annual Meeting. The meeting provides you with an evening of fellowship and the opportunity to learn more about the programs and activities of your electric cooperative. It also allows the board and staff to engage with you and obtain your feedback.

SAFETY

Safety for our employees, members and communities continues to be a top priority. In 2023, Flint Hills REC employees completed the year without a lost-time accident. Daily job briefings and monthly safety training provide constant reminders to the employees of the safety sensitive tasks they must perform each day.

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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.**

OFFICIAL NOTICE

Join us for the Annual Meeting on April 2

The 86th Annual Meeting of the Flint Hills Rural Electric Cooperative Association, Inc. will be held at the Herington Community Building, located at 810 S. Broadway in Herington, Kansas, on **TUESDAY, APRIL 2, 2024**. The meal will begin at 5:30 p.m. with the business meeting following at 6:30 p.m. to take action on the following matters:

- ▶ Report on the number of members present in person to determine the existence of a quorum.
- ▶ Reading of the Notice of the Meeting and proof of due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be.
- ▶ Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- ▶ Presentation and consideration of reports of officers, trustees and committees.
- ▶ Report on election results.
- ▶ Unfinished business.
- ▶ New business.
- ▶ Adjournment.



FACTS & FIGURES

TOTAL kWh SALES
\$83,691,374
UP FROM \$83,556,015 IN 2022

MILES OF LINE
2,580
UP FROM 2,579 IN 2022

METERS SERVED
6,651
DOWN FROM 6,660

PLANT INVESTMENT
\$41,246,543
UP FROM \$39,393,163 IN 2022



Financial Reports

Operating Statement

FOR YEAR ENDING ON DEC. 31, 2023 (UNAUDITED)

	2022	2023
Income		
Electric Revenue	\$12,896,897	\$13,101,486
Expenses		
Operations and Maintenance	\$3,597,101	\$3,984,691
Power Cost	\$7,122,731	\$6,655,140
Depreciation	\$1,342,826	\$1,395,757
Interest	\$582,591	\$624,782
Total Expenses	\$12,645,249	\$12,660,370
Net Income		
Operating Margin	\$251,648	\$441,116
Non-Operating Margins	\$284,384	\$380,807
Total Margin	\$536,032	\$821,923

Balance Sheet

FOR YEAR ENDING ON DEC. 31, 2023 (UNAUDITED)

	2022	2023
Assets (What We Own)		
Cash on Hand/Bank	\$265,183	\$266,550
Short-Term Investments	\$4,510,000	\$4,160,000
Investments in Associated Organizations	\$5,576,819	\$5,617,923
Accounts Receivable (Net)	\$1,358,247	\$998,344
Materials and Supplies	\$381,655	\$365,290
Prepaid Expenses	\$20,012	\$22,292
Deferred Charges & Other Current Assets	\$71,090	\$75,083
Plant Less Depreciation	\$27,825,070	\$28,933,451
Total Assets	\$40,008,076	\$40,438,933
Liabilities (Our Obligations)		
Total Debt	\$17,289,146	\$17,215,657
Accounts Payable	\$828,111	\$789,080
Accrued Taxes, Other Liabilities and Reserves	\$1,089,527	\$1,281,021
Equity		
Member/Ownership	\$20,801,292	\$21,153,175
Liabilities/Net Worth	\$40,008,076	\$40,438,933

2023 Manager's Report

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Employees are also trained to look for opportunities to keep our electric distribution system safe for our communities and members. We continue to provide electric safety information to our members through *Kansas Country Living* magazine, our website and our Facebook page.

In 2023, we utilized our safety demonstration trailer to educate the community on electric safety and look forward to even more events in 2024. If you have an event or group that you would like us to do a safety demonstration for, please contact our office. We are very proud of our employees for continuing to put safety first and making it a priority in their daily jobs.

RELIABILITY

A high level of reliability remains a key goal of Flint Hills REC. We continue to review member consumer outage data 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 quality concerns. We also continue to work with our power supplier to limit outages that occur to their electrical system that delivers power to Flint Hills REC. Overall, in 2023 average outage time was favorable compared to government recommended standards.

Reliability enhancements in 2023 include the replacement of 459 poles, 4.8 miles of electric distribution line, and numerous breakers, transformers, meters, services and voltages regulators. Major maintenance projects included testing 4,000 poles and trimming and spraying

“Safety for our employees, members and communities continues to be a top priority.”

nearly 400 miles of distribution line to maintain healthy pole quality and vegetation management programs. Total operations, maintenance and replacements of electrical facilities were \$4.5 million in 2023.

FINANCIAL UPDATE

Flint Hills REC received a clean audit for the 12-month period ending Sept. 30, 2023. Flint Hills REC's balance sheet remains strong. Member equity on Dec. 31, 2023, was \$21.1 million, or 53% of total assets. Approximately \$489,000 of capital credits were paid to the membership in 2023, with just over \$516,000 approved for payment in 2024.

Operating margins in 2023 improved to \$441,116. Cost per kilowatt-hour increased by 1.4% in 2023 following the first rate increase approved since 2015. The new rates include a demand component to better allocate demand-related costs incurred by the cooperative. For more information on financials see the Dec. 31, 2023, financial report on Page 12B.

We always look forward to seeing our members, and hope you can join us at your annual meeting on April 2, 2024.

JOIN US FOR DINNER

APRIL 2

RSVP TODAY

REGISTRATION AND
MEAL BEGIN AT 5:30 P.M.

CALL
620-767-5144

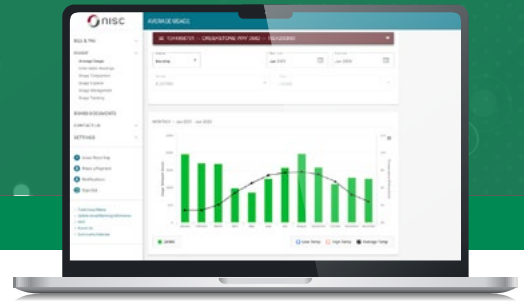
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MAIL@FLINTHILLSREC.COM



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Learn more at www.flinthillsrec.com

2023 Annual Meeting Minutes

The 85th Annual Meeting of the Flint Hills Rural Electric Cooperative Association, Inc. was held on Thursday, March 30, 2023, at the Herington Community Building Herington, Kansas. The meeting was preceded by a free meal served to all in attendance.

The meeting was called to order by Board President Roger Zimmerman, who presided. Korby Effland, secretary-treasurer, acted as secretary of the meeting. The Chairman announced that a quorum of the membership was in attendance with 112 members registered.

Minutes of the previous annual meeting held March 29, 2022, were presented for reading. It was moved and seconded to dispense with the reading of the minutes, the Notice of Annual Meeting, and the proof of mailing, and that the minutes of the previous annual membership meeting be approved. Motion carried.

The Chairman introduced special

guests present including: Susan Cunningham, senior vice president of regulatory and government affairs and general counsel of Kansas Electric Power Cooperative; and Mindi Pfannenstiel, director of finance and human resources of Kansas Electric Cooperatives.

The President called upon Attorney Jake Pugh for a report of trustee nominations, which had been proposed by the respective nominating committee. Attorney Pugh reported the following had been nominated as candidates:

DISTRICT 1

- ▶ **ROGER ZIMMERMAN**
- ▶ **LUKE ERICHSEN**

DISTRICT 2

- ▶ **KORBY EFFLAND**
- ▶ **SEAN CARR**

DISTRICT 4

- ▶ **TREY HINKSON**
- ▶ **COLE STARKEY**

Attorney Pugh announced the election committee of Roger Spencer, Steve Glahn, Tim Biehler and Tim Miser met March 23, 2023, to approve and count the ballots. The election results were as follows:

- ▶ **DISTRICT 1: ROGER ZIMMERMAN**
- ▶ **DISTRICT 2: KORBY EFFLAND**
- ▶ **DISTRICT 4: TREY HINKSON**

General Manager Charles Goeckel reviewed the 2022 annual report and discussed additional statistical information concerning the financial position of the system at year-end.

Member Services Manager Travis Griffin introduced **LAICEE SCOTT**, daughter of Lancer and TinaRae Scott, as the winner of the Cooperative Youth Leadership Camp. He presented her with a certificate and scholarship. Mr. Griffin introduced **KARL ZIMMERMAN**, son of Jason Britt and Katrina Zimmerman-Britt, as the winner who represented Flint Hills RECA at the 2022 Key Leadership Conference. He was presented with a certificate and scholarship.

There being no further business President Zimmerman declared the annual membership meeting adjourned. Prizes were awarded by drawing from the registration tickets.