

P.O. Box B | 1564 S. 1000 Rd., Council Grove, KS 66846
620-767-5144 | www.flinthillsrec.com

2021

ANNUAL REPORT

Flint Hills RECA

Board of Trustees

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Chuck Goeckel
General Manager

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

2021 Year in Review

The Board of Trustees and the staff of Flint Hills Rural Electric Cooperative Association (Flint Hills REC), extend this invitation to you to attend Flint Hills REC's 84th annual meeting.

I know it has been a long three years since we last met, and we are looking forward to seeing you, our consumer-members. The meeting provides you the opportunity to become more informed on the programs and activities of your electric cooperative and allows the board and staff to engage with you and obtain your feedback.

Year in Review

2021 still saw us dealing with the COVID-19 pandemic and because of that our board decided to cancel our 2021 annual meeting. However, we still held our trustee elections via mail-in ballot. On the ballot in 2021 were several bylaw changes that were passed. One change dealt with the annual meeting and now allows us the ability to hold our annual meeting anytime in a calendar year.

Last February, we faced Winter Storm Uri. This storm brought bitterly cold temperatures as far south as Texas. These cold temperatures had a large effect on our power supply, specifically wind and natural gas. Flint Hills REC along with the other members of Kansas Electric Power Cooperative (KEPCo), our power supplier, were able to minimize



Chuck Goeckel



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More ON THE COVER



We hope you enjoy the new format of the 2021 Flint Hills Annual Report. You can find the following information on the front and back cover of this issue:

Meeting Schedule

Notice of Meeting

Committee Minutes

**2019 Annual
Meeting Minutes**

RSVP for Dinner

**Trustee Candidate
Information**

Ballot & Instructions

Return Envelope for Voting

Financial Reports

Operating Statement

FOR YEAR ENDING ON DEC. 31, 2021 (UNAUDITED)

	2020	2021
Income		
Electric Revenue	\$11,382,325	\$12,084,553
Expenses		
Operations and Maintenance	\$3,709,279	\$3,246,254
Power Cost	\$5,805,844	\$6,471,289
Depreciation	\$1,268,909	\$1,307,428
Interest	\$595,992	\$509,376
Total Expenses	<hr/> \$11,380,024	<hr/> \$11,534,347
Net Income		
Operating Margin	\$2,301	\$550,206
Non-Operating Margins	\$328,652	\$171,117
Total Margin	<hr/> \$330,953	<hr/> \$721,323

Balance Sheet

FOR YEAR ENDING ON DEC. 31, 2021 (UNAUDITED)

Assets (What We Own)	2020	2021
Cash on Hand/Bank	\$231,106	\$460,317
Short-term Investments	\$3,845,000	\$2,905,000
Investments in Associated Organizations	\$5,532,426	\$5,534,726
Accounts Receivable (Net)	\$877,050	\$919,306
Materials and Supplies	\$151,686	\$172,641
Prepaid Expenses	\$19,161	\$19,692
Deferred Charges & Other Current Assets	\$251,152	\$134,057
Plant Less Depreciation	\$27,555,788	\$27,420,477
Total Assets	<hr/> \$38,463,369	<hr/> \$37,566,216
Liabilities (Our Obligations)		
Total Debt	\$16,607,471	\$15,525,398
Accounts Payable	\$727,770	\$638,311
Accrued Taxes, Other Liabilities and Reserves	\$655,201	\$683,570
Equity		
Member/Ownership	\$20,472,927	\$20,718,937
Liabilities/Net Worth	<hr/> \$38,463,369	<hr/> \$37,566,216

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2021 Year in Review

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the cost impact this storm had on power costs to our consumer-members.

Safety

Safety continues to be a top priority for our employees, consumer-members and communities. In 2021, Flint Hills REC received a No Lost Time award at the Kansas Electric Cooperative's Annual Meeting. We are very proud of our employees for achieving this award, which proves that our efforts of making safety a priority do pay off.

Even though we were unable to take our safety demonstration trailer out to the communities in 2021, we continued to provide electric safety information to our members through the *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.

Financial Update

Flint Hills REC continues to meet all financial requirements of the cooperative's lenders. Total margins for 2021

Monthly employee safety meetings and daily job briefings are constant reminders to the employees of the safety sensitive tasks they must perform each day.

were \$721,323, up from \$330,953 in 2020. The 2021 margins were aided by the forgiveness of the Payroll Protection Program loan in the amount of \$567,500. On Dec. 31, 2021, member equity was \$20.7 million, or 55.1% of total assets. In January 2022, the board of trustees approved payment of \$459,711 of capital credits to the Flint Hills REC membership in March.

Reliability

We are always looking at ways to enhance our system's reliability. We use total minutes off per meter to analyze how we are doing. The USDA Rural Utility Service reliability guidelines recommend outage time be less than 200 minutes/meter/year. We are proud to say that in 2021 Flint Hills REC was at 76 minutes/meter/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.

We always look forward to seeing our members and hope you can join us at your annual meeting on March 29, 2022.

The meeting provides you the opportunity to become more informed on the programs and activities of your electric cooperative ...

Facts & FIGURES

TOTAL kWh SALES

77,805,060
UP FROM 76,289,057 IN 2020

MILES OF LINE

2,572

UP FROM 2,564 IN 2020

METERS SERVED

6,628

SAME AS 2019

PLANT INVESTMENT

\$37,895,251

UP FROM \$36,877,295 IN 2020



ATTENTION SOPHOMORES & JUNIORS

Apply by March 8 SCHOLARSHIPS & LEADERSHIP OPPORTUNITIES

Flint Hills REC has a strong tradition of promoting youth leadership and that tradition will continue with two 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 Kansas Electric Youth (KEY) Leadership Conference or the Cooperative Youth Leadership Camp, **PLUS A SCHOLARSHIP!**

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, complete and return the form below. For more information, call 620-767-5144, email memberservices@flinthsillsrec.com or visit FLINTHILLSREC.COM/YOUTH-TOUR

CONTEST APPLICATION – DUE MARCH 8

Complete and return this application to Flint Hills RECA, Attn: Travis Griffin, P.O. Box B, Council Grove, KS 66846, or tgriffin@flinthsillsrec.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 2021 COOPERATIVE YOUTH LEADERSHIP CAMP OR KEY LEADERSHIP CONFERENCE SPONSORED BY FLINT HILLS RECA.

Signature of Parent or Legal Guardian _____

The safety of our students and chaperones is our top priority. If the KEY Leadership Conference or Cooperative Youth Leadership Camp organizers believe that travel is unsafe due to concerns with the coronavirus (or any acts of terrorism, disaster, civil disorder, or curtailment of transportation facilities), the trip will be canceled.

- 1st Place**
YOUR TRIP OF CHOICE + \$500 SCHOLARSHIP!
- 2nd Place**
TRIP + \$300 SCHOLARSHIP!
- 3rd Place**
\$100 SCHOLARSHIP!



June 5-8, 2022

The conference will be held in Topeka and focuses on leadership, including sessions about the cooperative business model and principles, advocacy and how to have your voice heard, social media branding, safety and tips to prepare for the transition between high school and higher education. The speaker lineup features discussions with legislators, industry professionals, youth program alumni and local celebrities. Meet other student leaders from across the state, and learn how to unlock your leadership potential.



July 15-21, 2022

The Cooperative Youth Leadership Camp is held near Steamboat Springs, Colorado. High school students from electric cooperative communities in Colorado, Kansas, Oklahoma and Wyoming participate in this leadership camp. Together, the youth will create a candy cooperative, hear from dynamic speakers, and raft down the Colorado River.