


Looking out for you

Annual Report for 2008



Flint *e*nergies

Your Touchstone Energy® Cooperative 

Looking out for you



Corporate Profile

Incorporated in 1937, Flint Energies is a not-for-profit member-owned electric cooperative that provides energy services to residential, commercial, industrial and agricultural members in parts of 17 central Georgia counties. Flint has 230 employees and serves more than 250,000 Georgians through more than 82,000 meters.

*Providing reliable,
affordable energy*

These are challenging economic times. Many are struggling to afford the basics, including food, housing, and energy. That's why at Flint Energies, we've renewed our commitment to looking out for you. Your cooperative is doing everything possible to provide reliable, affordable energy, create jobs and power our local economy.

One way we've partnered with you to help ensure we have electricity we can afford in the years to come is through the "Our Energy, Our Future" campaign. Through it, more than 362,000 people have contacted members of Congress to ask them to work with cooperatives like Flint Energies.

Locally, we've invested in community institutions, such as Fort Valley State University and the Springer Opera House. We participated in the Museum of Aviation at Robins Air Force Base's 5K run/walk and supported their WWII Celebration. In addition, we've reached nearly 3,000 students through Career Days, Bright Ideas teaching grants and safety awareness programs.

We'll continue to look out for you through aggressive actions to prevent identity theft, to quickly locate employees and use them in the most efficient ways during significant weather events and to maintain a power distribution system that delivers. As a not-for-profit co-op owned by the people we serve, our core values are all about you.



Mission Statement

*Exceeding the expectations
of those we serve
at every opportunity*



Flint  Energies

AN ELECTRIC MEMBERSHIP CORPORATION

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Looking out for you



Executive Message

Working with a family of electric cooperatives across the state and nation, Flint Energies is looking out for you, our members. That's the spirit that motivates our every action.

We're also driven to provide safe, affordable and reliable electricity. That's why we secured power contracts in 2008 that should support your needs into 2025. That's why we're negotiating with Houston County to use landfill gas as a renewable energy source. And, that's why we continue to upgrade power lines, manage right-of-way areas, install "SmartGrid" systems and add new substations.

Keeping our focus on what's best for you, we are using technology to improve the electric system efficiency and to keep you better informed. Communication improvements to our Web site, including a new outage map to track service restoration, are complemented by e-newsletters, text messaging, automated call warnings prior to cut-off, and energy-saving videos on YouTube.

In the spirit of efficiency, we're encouraging Flint members to sign up for "Switch N' Save." The program reduced peak electric demand by 19 megawatts in 2008, saving more than \$1.9 million.

During tough economic times, it's critical to make the best use of our resources. Our employees realize this and work hard to serve more members with a total workforce numbering less than in 2003. Despite the economy, the Flint Appliance Center finished 2008 in the black and our Elberta Road Office, which served members for nearly 40 years, was sold and continues as a vibrant community center.

Flint is looking out for you through member-elected leaders. It's appropriate to note two gentlemen who retired in 2008 after

representing members for a total of 40 years. Mr. Jimmy Wells of Ellaville, who passed away shortly after leaving the Board, exemplified consideration for the best interest of Flint members. He is remembered for bringing specific needs of individuals to Board meetings during his 25 years of service.

Mr. John Neely, Jr. was Chairman of the Board when he stepped down after serving more than 15 years as a representative from Taylor County. He received the Spirit of Flint award for his extraordinary dedication to the cooperative. It's this kind of spirit, commitment and service that sets us apart as a member-led organization.

Through a long-term strategic focus on managing Flint Energies wisely and effectively through dedicated leadership, we are committed to the people who own this cooperative. You're part of this family, and we're looking out for you.



Bob Ray
President/CEO,
Flint Energies



William Brown
Chairman,
Flint Energies Board
of Directors

In 2008, Flint Energies ...

- Added 1,557 new services;
- Won the right to serve our first Peach County School, our third Publix and three new facilities at Fort Valley State University;
- Trimmed 1,013 miles of right-of-way areas; and
- Touched 34 families with "Linemen for Little Ones" and "Food for the Needy" programs.

Looking out for you



Creating Jobs

When Flint Energies injected \$740,000 to Arriscraft to support expansion of their architectural stone facility in Crawford County, the co-op helped fund 30 new jobs. The co-op worked with the U.S. Department of Agriculture (USDA) to secure business development funds in the form of a zero-interest loan.

As a not-for-profit electric cooperative, Flint then passed the loan proceeds to Arriscraft to finance the new job creation effort. The company is making a total investment in heavy equipment for a \$9 million expansion and will pay the cooperative back over the next 10 years.

“We are pleased to participate with USDA Rural Development in helping finance this business expansion of Arriscraft,” said Flint Energies CEO Bob Ray. “Arriscraft has capitalized on the unique resources of this area for several years and is a good example of a community leader producing quality products and providing increased economic opportunity.”

The Rural Economic Development Loans and Grants (REDL&G) program provides funding to rural projects through sponsoring electric cooperatives. Flint is responsible for repayment of the loan to USDA, and Arriscraft has provided sufficient collateral to Flint to cover the loan. Though there are many USDA loan and grant programs for economic development, rural electric cooperatives are the only channel for local businesses to receive REDL&G funding. This was the first such program loan made through Flint Energies and one of the first in the state.



(L-R) Dan Stone, Flint Energies' Key Accounts Manager, and Arriscraft's Mike Baker, Assistant Plant Manager, are seeing a zero-interest loan fuel a \$9 million expansion that will support 30 jobs.

Looking out for you

20



January

February

March

April

May

June

Set a new demand for electricity use, called a "system peak," of 472 megawatts on Jan. 3.

Contacted state legislators who represent Flint members in a concerted effort to keep co-op concerns visible. Flint directors were very involved.

Initiated successful Member Advisory Committee meetings.

Launched an updated Web site designed to be more user friendly.

Hosted Governor Perdue at Huntington Middle School as he announced "Conserve Georgia" initiative.

Sponsored first Taylor County Race for Literacy 5K as part of 2008 Georgia Strawberry Festival.

Repaired a home through the Rebuilding Together program and provided CFLs to all 32 homes renovated through this year's project in Warner Robins.

Took home three Spotlight on Excellence national awards for member newsletter, e-newsletter and 70th Anniversary logo.

Learned more about Flint's largest customer, the Houston County Board of Education, when the Board visited the education offices.

Hit the \$2 million mark for member contributions to Operation Round Up, which helps deserving organizations in the community.

Joined Georgia Department of Natural Resources in a statewide effort to build nesting boxes for the rare American kestrel.

Milestones

OS&



July

Opened new remote payment station locations at Atlantic Southern Bank locations in Roberta, Byron & Bonaire.

Discussed renewable energy options with the Department of Defense and Robins Air Force Base.

Moved into the new Member Center and held successful Open House events.

August

Locked down a power supply agreement with Morgan Stanley to purchase a 50-megawatt block of power for the time period 2015-2025.

Ranked second best in the nation by small and medium business accounts among 56 Touchstone Energy co-ops in 20 states.

September

Interconnected first solar power generator owned by a Flint member.

Recognized as one of the national leaders for prescription drug savings thanks to the Co-op Connections Card program, which helps Flint members save money on a variety of purchases.

Selected by Houston County to enter final negotiations for landfill gas to electricity project.

October

Featured on cover of the nationally distributed *RE Magazine* through story on Fort Benning operation.

Hosted Governor Perdue and Atlanta Brave John Smoltz at the Member Center as Warner Robins "pitched" Little League International on selecting the city to host the Southeast headquarters.

November

Recognized in *RE Magazine* for metals theft initiatives and participation in an area coalition.

December

Exceeded the average for co-ops surveyed in the Southeast for reliability of electric service.

Received confirmation that the co-op reduced the Flint summer peak demand for electricity by approximately 19 megawatts, saving Flint members more than \$1.9 million in demand charges through the "Switch N' Save" program.

Looking out for you



⚠ DANGER
ELECTRICAL HAZARD
KEEP CLEAR

811 Know what's below.
Call before you dig.
Dial 811.

Saving Lives

AI Williams and Lee Hollis, linemen with Flint Energies, were headed to rabbit hunt in Upson County, when they saw smoke billowing from a house. The two men stopped to help others who were trying to contain the growing fire. Williams and Hollis asked if anyone was in the house and were told “no.”

“We went in the house to try and recover a few items, and we started going down a hallway. I don’t know what made me look in one of the bedrooms, but there happened to be an elderly woman in there asleep,” says Williams. He quickly wrapped the woman in her blankets and carefully escorted her to safety. “I put her in the truck because it was so cold outside.”

Unfortunately, the house burned to the ground before the fire department could arrive, but Hollis and Williams are glad that they were there to help the elderly woman from the fire. Flint Energies management credits Williams’ and Hollis’ quick thinking and composed reaction to saving the woman’s life.

“We train our employees in life-saving and emergency techniques, so they can be equipped at any time, in any situation that might call for emergency response,” said Randy Lowe, *Safety and Job Training Coordinator*. “It’s an integral part of our overall safety program, because we understand that accidents, illness and disasters do happen, and we want to prepare employees to take the proper action, even when they are not at work.”



Operation Round Up

In 2008, the Flint Energies Foundation continued to help worthy organizations through the generosity of members participating in Operation Round Up®. The program encourages Flint Energies members to “round up” their electric bills, donating the resulting change each month. The proceeds fund the Foundation.

The Foundation awards grants to deserving local charities and service organizations, as well as worthy community projects, in a 16-county service area.

Some of this year’s grants have been used to purchase or provide:

- Construction materials to remodel a historic building and an arboretum
- Personal safety devices, “Jaws of Life” and other priority firefighting equipment to equip several local volunteer fire departments
- Supplies to make repairs and improvements to houses for the elderly
- Protective gear and digital video recording equipment for police departments
- Books and other library materials for an elementary school media center and for a new library at the Taylor County Campus of Flint River Technical College
- Canned goods for a food bank
- Home-delivered meals to senior citizens
- Equipment for children with special needs
- Uniforms and equipment for a myriad of youth sports programs
- Books for several libraries and literacy programs
- Scholarships to a local college and technical school.

The Foundation continued growing its Bright Ideas program, which provides funding for innovative

teaching projects not funded through the regular school budget. 13 grants totaling \$10,000 to teachers in Houston, Macon, Marion, Peach and Taylor counties will allow students to learn in exciting and creative ways. Since 2006, Flint’s Bright Ideas program has distributed nearly \$25,000 in classroom grants.

Bright Ideas grant recipients included:

- Larissa Beecher, *Community Based Instruction for Students with Disabilities*, Bonaire Elementary School, \$999.00
- Carla Roberts, *Middle Grades Math Competition*, Bonaire Middle School, \$795.00
- Melanie Mann, *Getting Down and Dirty with Science*, Feagin Mill Middle School, \$900.00
- Jill Peacock, *Get Moving with GeoMotion*, L.K. Moss Primary School, Buena Vista, \$621.00
- Karen Richardson, *Energy Conservation and Algebra*, Macon County Middle School, Montezuma, \$75.00
- Jenny Gibbo, *Earth Savers*, Marion County Middle School, Buena Vista, \$750.00
- Leanne Berry, *Wednesday Lunch Time Readers*, Miller Elementary School, \$760.00
- Floyd Jolley, *Using Toys to Teach Physical Science*, Mossy Creek Middle School, \$942.00
- Don Rehner, *Georgia’s Music in our Schools*, Northside Elementary School, \$730.00
- Kim Stewart, *I Louvre Art*, Northside High School, \$928.00
- Cheryl Ogden, *Fun, Fast and Fluent Reading*, Northside Middle School, \$500.00
- Betty Barnes, *Readers Theater*, Parkwood Elementary School, \$1,000.00
- Joe Sendek, *Storybook Theatre*, Perry High School, \$1,000.00

Flint Foundation Program



Flint Energies Foundation Board of Directors, front row (L-R): Joanne Hamlin, Roberta; Chairman Carol Glasgow, Warner Robins; Jane Hobbs, Oglethorpe; and Connie McCutchen, Midland. Back row (L-R): Fred Jarrell, Reynolds; George West, Kathleen; Dozier Blackstock, Elko; Pat Bartness, Warner Robins; and Dr. Rudy Killingsworth, Buena Vista. Not pictured: Charmaine Palmer, Kathleen; and Mike Huckabee, Fort Valley.

Counties Served

Grants from January 2001 through June 30, 2009

Bibb	\$ 80,955.00
Chattahoochee	\$ 6,080.00
Crawford	\$ 137,387.49
Harris	\$ 8,500.00
Houston	\$ 852,510.94
Macon	\$ 156,306.99
Marion	\$ 138,497.08
Monroe	\$ 3,000.00
Muscogee	\$ 105,509.03
Peach	\$ 131,785.00
Schley	\$ 39,995.00
Sumter	\$ 6,200.00
Talbot	\$ 54,458.14
Taylor	\$ 237,267.79
Upton	\$ 8,000.00
All Counties	\$ 60,400.00
TOTAL	\$2,026,852.46

TREASURER'S REPORT

Financial statements for the fiscal year ending Dec. 31, 2008, reflect the sound financial status of Flint Electric Membership Corp. dba Flint Energies. The independent accounting firm of McNair, McLemore, Middlebrooks, & Co., LLP, Certified Public Accountants, audits Flint's financial statements in accordance with generally accepted auditing standards.

This audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and estimates made by Flint's management, as well as evaluating the overall financial statement presentation.

The figures in this report are from the audit and represent a summary of the auditor's complete report. Copies of the audited financial statements and accountants' reports are available for your inspection at the cooperative's headquarters office.



Neal L. Talton
Secretary-Treasurer, Flint
Energies Board of Directors



David H. Cleveland
Assistant Secretary-
Treasurer, Flint Energies
Board of Directors

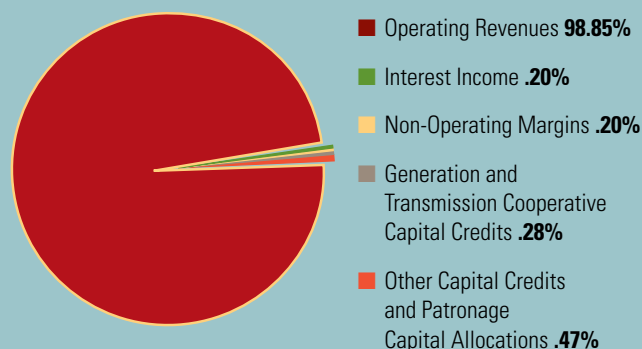
Balance Sheets (as of December 31)

ASSETS	2008	2007
Plant		
Electric Plant in Service-At Cost	\$288,431,153	\$267,333,415
Plant Assets-Fort Benning	6,091,673	5,947,889
Construction Work in Progress	4,708,681	11,859,784
	<hr/>	<hr/>
Gross Plant	299,231,507	285,141,088
Retirement Work in Progress	64,087	(75,961)
Accumulated Provision for Depreciation	(75,554,582)	(70,031,759)
	<hr/>	<hr/>
	223,741,012	215,033,368
	<hr/>	<hr/>
Other Property, Investments and Restricted Funds		
Other Physical Plant (Net of Depreciation of \$380,734 in 2008 and \$326,917 in 2007)	1,196,543	1,250,360
Investments in Associated Organizations	13,927,273	13,065,199
Restricted Funds	3,538,000	4,666,000
Note Receivable	591,999	-
Other	342,815	342,815
	<hr/>	<hr/>
	19,596,630	19,324,374
	<hr/>	<hr/>
Current Assets		
Cash and Cash Equivalents	7,763,654	6,565,819
Accounts Receivable (Less Accumulated Provision for Uncollectibles of \$697,057 in 2008 and \$503,976 in 2007)	15,167,506	12,241,458
Note Receivable Current	74,000	-
Interest Receivable	70,516	38,008
Materials and Supplies	3,848,976	3,101,657
Prepayments	103,713	100,579
	<hr/>	<hr/>
	27,028,365	22,047,521
	<hr/>	<hr/>
Deferred Debits	1,719,718	849,674
	<hr/>	<hr/>
Total Assets	\$272,085,725	\$257,254,937
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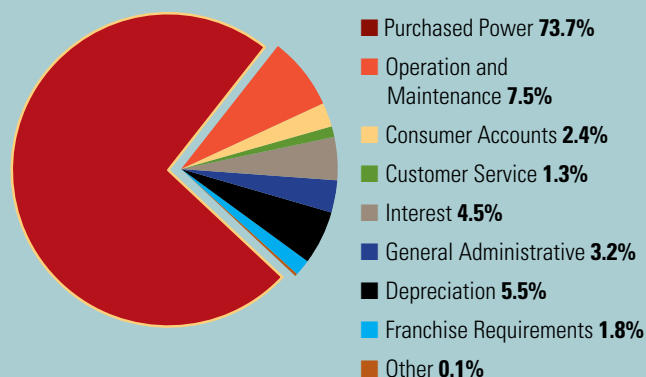
Balance Sheets (as of December 31)

EQUITIES AND LIABILITIES	2008	2007
Equities		
Membership Fees	\$ 632,689	\$ 611,478
Patronage Capital	99,364,928	92,060,456
Donated Capital	232,351	205,696
	100,229,968	92,877,630
Long-Term Debt	135,687,606	131,304,871
Accumulated Provision for Postretirement Benefits Other than Pensions-Noncurrent	1,119,559	983,704
Current Liabilities		
Mortgage Notes-Current Portion	4,129,785	4,374,000
Notes Payable	8,200,000	-
Accumulated Provision for Postretirement Benefits Other Than Pensions-Current	202,000	268,800
Accounts Payable	11,131,142	9,289,541
Consumers' Deposits	6,215,505	6,127,129
Accrued and Withheld Taxes	1,843,718	1,492,375
Other	3,299,591	3,146,970
	35,021,741	24,698,815
Deferred Credits	26,851	7,389,917
Total Equities and Liabilities	\$272,085,725	\$257,254,937

Where your money comes from



Where your money goes

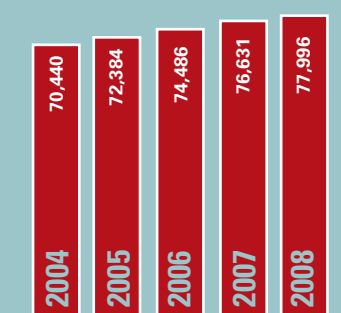


Statements of Revenue

(as of December 31)

	2008 Amount	2007 Amount	Increase (Decrease)
Operating Revenues	\$180,438,255	\$148,597,539	\$31,840,716
Operating Expenses			
Cost of Power	129,198,002	102,459,064	26,738,938
Distribution Operations	5,771,385	5,582,958	188,427
Distribution Maintenance	7,324,931	7,109,546	215,385
Consumer Accounts	4,214,245	4,036,482	177,763
Consumer Service and Information	2,208,729	2,165,493	43,236
Administrative and General	5,686,294	5,056,564	629,730
Franchise Requirements	3,156,094	2,740,115	415,979
Depreciation	9,661,412	9,248,480	412,932
Other	160,744	141,429	19,315
	167,381,836	138,540,131	28,841,705
Operating Margins Before Interest Expense	13,056,419	10,057,408	2,999,011
Interest Expenses	7,817,101	7,522,348	294,753
Operating Margins After Interest Expense	5,239,318	2,535,060	2,704,258
Nonoperating Margins, Net	723,717	1,190,540	(466,823)
Generation and Transmission Cooperative Capital Credits	502,471	425,460	77,011
Other Capital Credits and Patronage Capital Allocations	864,809	846,625	18,184
Net Margins	\$ 7,330,315	\$ 4,997,685	\$ 2,332,630

Key Statistics Over a 5-Year Period



Number of Meters



Miles of Line



Average kWh per Month
per consumer

*Board of Directors
and President/CEO*

William Brown



Chairman
Montezuma

Robert L. Dickey III



Vice Chairman
Musella

Neal L. Talton



Secretary/Treasurer
Bonaire

David Cleveland



Assistant Secretary/Treasurer
Fort Valley

Arthur Head



Warner Robins

Paul Hibbitts



Warner Robins

Jane W. Perfect



Elko

Jeff S. Pierce Jr.



Warner Robins

Jackie Robinson



Juniper

Jeff Wainwright



Reynolds

Sam M. Wellborn III



Columbus

Bob Ray



President/CEO

Looking out for you

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