An everyday commitment to ensure the power is in your hands.

DEMCO 1938 75th Anniversary

DEMCO.ORG
Our Mission

DEMCO exists to serve the members/customers through professionally trained employees providing safe, reliable and affordable electricity as well as other high-quality products and services. As a good corporate citizen, DEMCO is committed to stimulating the economic growth and prosperity of our area through ethical conduct and sound business principles.
2013 saw your cooperative celebrate a milestone that is not easily attainable, to remain viable and strong in an up- and-down economy over the last 75 years. In August of 1938, Dixie Electric Membership Corporation was born to a group of people seeking to better their lives and better their communities. So as we celebrated this momentous anniversary, we not only looked at a successful past - we also looked forward to a successful future.

Your locally-owned electric cooperative has survived through good times and through bad, but as our future nears we see the opportunity to continue to grow. In 2013, we solidified a future that holds a new power contract that will encourage growth and stability. The new all requirements power contract will not only support that growth that is eminent in the communities we serve, but will protect it from the uncertainty of regulations looming in the power production industry. A new contract with a company capable of multiple fuel mixes can help curb the costs associated with these regulations that are being considered.

As we celebrated a solid 75 years, we also looked forward to more opportunities to serve our members. The future may carry with it new and exciting ways to deliver safe, reliable and affordable power, but the mainstay will be the way we do it with an emphasis on our members. We hope to continue to grow, while keeping our high quality of customer service.

To achieve this quality and to sustain it for so long has been due to strong leadership through the years. As we continue to lead this cooperative we will do so as those that came before us, with a strong emphasis on our mission and a willingness to serve.

As we take a look at the year, it is evident also that we are continuing to grow. Our infrastructure growth has been planned for the future. As communities continue to grow, we are growing right along with them to provide them with the power necessary to meet their needs; and as an electric cooperative, a successful growth pattern will keep us on the right track to keep costs down for the members we serve.

A review of DEMCO’s 2013 system statistics reflects another solid year. DEMCO’s kilowatt-hour (kWh) sales were $2,112,245,646. The number of members billed increased from 101,601 in 2012 to 103,055 in 2013. Total miles of line in operation showed an average of 8,140 miles by the end of 2012, and by the end of 2013 totaled 8,233.

We are honored as the board of directors to represent the valued membership of DEMCO during this occasion of the 75th anniversary. We are proud to report to you that the dedication of this leadership has led to another strong year and we look forward to representing you for years to come. We hope to continue to deliver to you the quality service that has made history at this electric cooperative.

In closing, I am humbled by the invitation of the DEMCO Board of Directors to serve as the President of the Board. It is my pleasure to serve the membership of this cooperative in this capacity. I also want to thank you the members of DEMCO for your continued commitment to this organization and the support you have shown for this board of directors.

In service,

Richard Sitman, President
DEMCO Board of Directors
It was 75 years ago that an energetic, strong-willed group of folks from right here in southeast Louisiana banded together and developed a plan to bring electricity to the sparsely populated countryside where profit-driven electric utilities refused to serve. All across the region, people living in small towns, villages and farms were denied the modern conveniences provided by electrical power. But the courageous, forward-thinking men and women who formed Dixie Electric Membership Corporation changed that. Because of their tireless efforts and their strong determination to rise above the many challenges that stood in their way, today more than 100,000 DEMCO meters are served with safe, affordable, reliable electrical power. Join us as we celebrate the accomplishments of our founders and as we recognize those who have carried on that early vision through the decades and have worked hard to make DEMCO a leader among the nation’s member-owned electric cooperatives. As we glance back at the past and look forward to the next 75 years, we are reminded what a privilege and honor it is to serve our members and we remain committed to you.
75 years ago we strapped on our boots and powered up.

As far as our history is concerned you could say that 1938 was a pretty powerful year.

In 1938, DEMCO was established as a nonprofit membership corporation.

In 1938, Dixie Electric Membership Corporation (DEMCO), now the largest electric cooperative in Louisiana in terms of number of meters, was formed in August of 1938. At that time, the cooperative served about 750 members in the three parishes of East Baton Rouge, East Feliciana and Livingston.

In 1979, branch offices in Ascension Parish and St. Francisville were opened, ranking DEMCO among the top six fastest growing Rural Electric Cooperatives in America. At the time, DEMCO served 36,000 members in seven parishes.

75 years ago we flipped our first switch.

In 2013, the DEMCO Foundation, through its Operation Roundup Program, exceeded contributions of over $4 million to DEMCO members in need.

An everyday commitment to ensure the power is in your hands.
At DEMCO, we cherish the opportunity to be a good corporate citizen. We demonstrate our commitment to community in a variety of ways, most notably through employee volunteerism and contributions to such worthy organizations as the Dream Day Foundation, Capital Area United Way, Family Service of Greater Baton Rouge, the Boy Scouts of America, and many more.

As a primary financial sponsor, DEMCO employees donated, from their personal funds, over $60,000.00 in 2013 to the annual Dream Day and Capital Area United Way campaigns. The spirit of giving shines through DEMCO employees in this campaign. In a time of economic uncertainty, the individuals who make up the DEMCO family have not wavered in the annual contributions to these worthwhile organizations. This generosity shows our true cooperative spirit.

DEMCO shows the utmost respect for individuals who choose to better themselves through higher education. In 2013, DEMCO awarded 10 one-year college scholarships to the children of DEMCO members. Furthermore, DEMCO employees served on the planning committee and cooked for the 2013 Volunteers in Public Schools Annual Picnic as well as the 2013 Hillar Moore, Jr. Memorial Golf Tournament to benefit the Mary Bird Perkins Cancer Center. DEMCO also sponsored four high school juniors on an all-expense paid trip to Washington, D.C. through its annual Rural Electric Youth Tour and performed numerous electrical safety demonstrations to students of all ages throughout its service territory.
DEMCO continued to partner with local and national developers as well as commercial businesses in 2013 and experienced another year of tremendous growth. The economic development successes experienced by the locally-owned electric cooperative were shown through a wide variety of business venues.

To improve the quality of life in the city, DEMCO was selected to provide power to the new YMCA at the Americana Development in Zachary. This was not only an impressive fitness and recreation facility but was the first YMCA in the city.

DEMCO also was called upon to provide the power for the new courthouse in Livingston Parish. The 95,000 square foot facility will house the 21st Judicial District including the District Attorney, Clerk of Court and the Livingston Parish Sheriff’s Office. While still under construction, the facility is anticipated to open in 2014.

Making the best of economic opportunities fits the desires of a company striving to serve its community. Moreover, delivering quality power to our local businesses and commercial account holders is something that DEMCO takes seriously. Consistent investments in infrastructure have provided DEMCO with the quality necessary to not only compete, but to be chosen over its competition to provide growing businesses with the power they need to succeed.

DEMCO Foundation

The DEMCO Foundation is a nonprofit charitable organization established to provide financial assistance to DEMCO members in their times of need. Individual assistance as well as college scholarships and emergency assistance are available.

Dixie Business Center

The Dixie Business Center, located in Denham Springs, Louisiana, is a small business incubator which offers consulting, administrative and financing support for new businesses. Office space is also available for long or short-term lease.
DEMCO began a year-long celebration to commemorate its 75th year. Representatives were found supporting communities throughout DEMCO’s seven-parish service area to honor the commitment of so many to bring power to all members of the locally-owned electric cooperative.

Local high school students Caroline Bell, Jose Jakobs, Patrick Riley, and Omar Wolf each won an all-expense paid trip to Washington, D.C. The four were winners in the 2013 DEMCO Rural Electric Youth Tour essay contest.

East Baton Rouge Parish Director Randy Lorio, East Feliciana Parish Director Glenn DeLee, Livingston Parish Director Danny Bertelot, Tangipahoa Parish Director Eugene Taylor, and West Feliciana Parish Director Freddy Metz all returned to the DEMCO Board of Directors as each was re-elected for a three-year term.

DEMCO and its employees once again served as the title sponsor for the 19th annual Dream Day Foundation Fishin’ Galore event held at the 3 Bar E Ranch in Clinton, Louisiana. DEMCO employees contributed over $60,000 through payroll deductions, all of which benefited St. Jude’s Children’s Research Hospital.

Elementary school children throughout DEMCO’s service area enjoyed an incredibly entertaining magic show from magician Scott Davis. His illusions were captivating, but with a message that every child was sure to remember. “Making Accidents Disappear” is a high-energy magic show designed specifically for elementary-aged youth and contains detailed messaging to help reduce the risk of accidents involving electricity in the home.

DEMCO personnel were special guest speakers at Walker Freshman High as they presented just a small portion of the knowledge and skills necessary to pursue a career in the electric distribution field. This presentation is just a representation of the many appearances made by the cooperative to deliver a message to schools and youth groups throughout the area it serves.

As part of DEMCO’s efforts to provide safety education to its members, the cooperative sponsored and participated in the Louisiana Safety Council’s Adventures in Safetyland Camp. Campers enjoyed the activity presented by electric cooperative employees throughout the month-long event.

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DEMCO introduced new outage software. At demco.org members can now enjoy the upgrade of an additional layer that includes each individual conductor (power line) and its status. A line that is distributing power is green and when it is without power the page will show it as red. This is just another advancement to help serve the membership better.

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Bringing power to the community for 75 years.

2013

Employees

Betty Adams
Karl Abelson
Jenine Andrews
Jake Arledge
Hilah Armstrong
Michael Armstrong
Wendy Armstrong
Marie Austin
Shawn Austman
Kenneth Bailey
Sean Ballestas
Jason Ballard
Kevin Beauschamp
Jeff Bellington
Debra Bennett
Trey Bergeron
Jamie Berry
Trant Bigner
Jeremy Bitin
Kenneth Bourgeois, Jr.
Brent Bradley
Debra Broadhurst
Damien Brooks
Chase Broussard
Julie Brown
Nick Carnes
Greg Carnuth
Dave Carter
Andy Castello
Brett Costain, Jr.
Todd Covian
Mike Chasson, Sr.
Veronica Claborn
Jamee Coats
Donna Cody
Kevin Commander
Josh Conley
Ronnie Corman
Patricia Courtney
Eric Cran
Daniel Cross
Joel Haider
Rickey Cummings
Richard Cutrer
Fred Dabney, Sr.
Ding Dezi, Jr.

Whitley Day
Danny Delatte
Robert Dela, Jr.
Paul Dixon
D.J. Duguet
Patrick Donahue
Calen Donker
Tiffany Dunn
Wade Dupuis
Martha Dunfur
Angie Eady
Norma Engler
Vincent Estes
Jeremy Faust
Cade Felts
David Fournet
Frank Foster
Penny Frayce
Hilda Galman
Susan Ganzarick
Cecil Gervady
Rhonda Gismon
Travis Glencross
Cody Glencross
Cecil Goza
Vernon Graham
Andy Graham
John Green
Dusty Guerrero
Stephanie Guadry
Michelle Guadry
Lori Gallant
Andy Hall
Amanda Hanigan
Darrin Harrell
Philip Harris
Danny Hassell
Chuck Hays
Raymond Hill, Jr.
Beverly Hodges
Jimmy Holston
Thomas Holland
Avery Holland
Billy Holmken
Austin Hudspeth

Warren Jefferson
Larry Jurkowski
David Jewett
Andrea Johnson
Chat Johnson
Toni Johnson
Jake Johnson
Chuck Johnson
Kenneth Jones
Tommy Kelly
Jane Landry
Mike Landry, Jr.
Niki Landry
Mike Landry, Sr.
Jake Lane
David Latona
Jeff Lee
Kelli Lee
Louis Lee
Dartany Lee
Shawn Little
Jared Logue
Jeff Lykes
Cheryl Malbrough
Makens Martin
Chesly McClure
Page McClure
Thad McClure, Jr.
Anita McNeal
Toni McNeese
Haley Mead
Brian Merritt
Johnny Mest
Parred Miles
Sony Miles
Scott Miller
Jude Miller
Justin Milton
Raymond Mueil
Ynvi Morel
Tiffany Morel
Ben Morel
Bubba Morris
Quinie Muse

Chad Mardal
Eric Olender
Russelle Overholtz
Jacob Overholtz
Pauli Pace
Kerri Pagnis
Shawn Parker
Jacob Parker
Maken Parker
Mike Parker, Sr.
Lori Paek
Shana Perdervis
Paula Perry
Kelli Persac
Mark Phillips, Jr.
Gina Pickering
Davel Pinnier
Danny Pratt
Josh Prestridge
Jackie Purvis, Jr.
Kristal Raymond
Matt Reed
Teresa Reed
William Reily
Nakia Ricard
Sandra Richard
Donna Robita
Sam Rosso
Rachel Rout
Randy Rushing
Linda Sanders
Nick Saucier
Aja Scott
Arthur Sedlers, Jr.
Fred Snell
Cindy Sharpe
Levy Slaby
Brandon Simon
Jared Slave
Chuck Spillman
Steven Spring
Daren St. Pierre
Jeremy Starks
Julia Starks
Wayne Stevenson
Lori Stewart
Raymond Stewart, Jr.
Eric Sullivan
Blake Sullivan
Missy Sumrall
Patrick Tanner
Esther Taoa
Age Temple
Meric Templet
Aaron Terrance
Mason Thacker
Wendy Thibodeaux
Richie Thomas
Alvin Thompson
Buddy Thompson, III
Rusty Toul
David Tucker
Klere Tucker
Turk Tyner
Jimma Varnado
John Varo
Debbie Walker
Jeremy Wascom
Boomer Washington
Doug Watson
Carl Watts
James Wells
Carl Westbrook
Darrell White
Robby White
Royland Wicker
Calend Wilkinson
Darrell Wilke
Shelly Winters
John Woodward
Curt Yean
Jae Young, Sr.
Phil Zito
### ASSETS

#### Utility Plant

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric plant in service</td>
<td>$546,945,012</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>29,857,926</td>
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<tr>
<td>Other fixed assets</td>
<td>4,477,139</td>
</tr>
<tr>
<td><strong>Total utility plant, net</strong></td>
<td><strong>$554,370,077</strong></td>
</tr>
</tbody>
</table>

#### Investments and Other Assets

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in associated organizations</td>
<td>9,131,665</td>
</tr>
<tr>
<td>Notes receivable, long-term portion</td>
<td>233,760</td>
</tr>
<tr>
<td><strong>Total investments and other assets</strong></td>
<td><strong>9,365,425</strong></td>
</tr>
</tbody>
</table>

#### Current Assets

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>695,001</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>3,835,795</td>
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<tr>
<td>Current portion of notes receivable</td>
<td>241,603</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>10,251,801</td>
</tr>
<tr>
<td>Unbilled revenue</td>
<td>11,314,491</td>
</tr>
<tr>
<td>Other receivables (net of allowance of $509,990 in 2013 and in 2012)</td>
<td>4,526,725</td>
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<tr>
<td>Deferred fuel adjustment</td>
<td>3,940,272</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>5,998,218</td>
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<tr>
<td>Prepaid expenses</td>
<td>1,409,845</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>41,513,751</strong></td>
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</table>

#### Other Assets

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred charges</td>
<td>43,610,869</td>
</tr>
<tr>
<td>Intangible, net</td>
<td>800</td>
</tr>
<tr>
<td>Certificate of deposit-pledged</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td><strong>43,761,669</strong></td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**  
<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$542,036,154</strong></td>
<td><strong>$508,267,684</strong></td>
</tr>
</tbody>
</table>
EQUITIES & LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities</strong></td>
<td>$427,565</td>
<td>$420,980</td>
</tr>
<tr>
<td>Membership</td>
<td>93,421,406</td>
<td>91,922,869</td>
</tr>
<tr>
<td>Patronage</td>
<td>337,403,841</td>
<td>337,228,077</td>
</tr>
<tr>
<td>Total equity</td>
<td>$542,036,134</td>
<td>$508,267,684</td>
</tr>
<tr>
<td><strong>Long-Term Debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable, less current maturities</td>
<td>335,052,773</td>
<td>323,948,363</td>
</tr>
<tr>
<td>Deferred interest-RUS notes</td>
<td>2,330,068</td>
<td>3,297,704</td>
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<tr>
<td>Total long-term debt</td>
<td>$337,403,841</td>
<td>$327,228,077</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managed overdraft</td>
<td>4,909,472</td>
<td>1,337,336</td>
</tr>
<tr>
<td>Current maturities of notes payable</td>
<td>12,750,546</td>
<td>11,325,937</td>
</tr>
<tr>
<td>Line of credit</td>
<td>31,957,251</td>
<td>32,479,412</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>13,236,771</td>
<td>12,899,547</td>
</tr>
<tr>
<td>Consumer deposits</td>
<td>7,793,108</td>
<td>7,432,625</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>799,366</td>
<td>866,521</td>
</tr>
<tr>
<td>Other accrued expenses and deferred credits</td>
<td>2,882,218</td>
<td>2,483,728</td>
</tr>
<tr>
<td>Customer refund</td>
<td>624,336</td>
<td>624,336</td>
</tr>
<tr>
<td>Rate moderation plan</td>
<td>3,835,795</td>
<td>3,835,795</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>77,599,583</td>
<td>69,882,107</td>
</tr>
<tr>
<td><strong>Deferred Credits and Other Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued post retirement benefits</td>
<td>27,052,600</td>
<td>23,735,900</td>
</tr>
<tr>
<td>Accrued vacation and sick pay</td>
<td>5,731,659</td>
<td>5,334,256</td>
</tr>
<tr>
<td>Total deferred credits &amp; other liabilities</td>
<td>32,784,259</td>
<td>29,070,156</td>
</tr>
<tr>
<td><strong>TOTAL EQUITIES AND LIABILITIES</strong></td>
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<td>$508,267,684</td>
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OPERATIONS & PATRONAGE CAPITAL

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<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td>$179,143,475</td>
<td>$167,381,768</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of power</td>
<td>95,611,900</td>
<td>93,208,759</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>21,878</td>
<td>72,819</td>
</tr>
<tr>
<td>Distribution-operations</td>
<td>7,096,230</td>
<td>4,501,792</td>
</tr>
<tr>
<td>Distribution-maintenance</td>
<td>13,535,613</td>
<td>12,899,679</td>
</tr>
<tr>
<td>Consumer accounts</td>
<td>8,774,181</td>
<td>8,861,872</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>8,350,550</td>
<td>8,747,309</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>16,487,500</td>
<td>15,614,758</td>
</tr>
<tr>
<td>Taxes</td>
<td>4,993,444</td>
<td>4,807,009</td>
</tr>
<tr>
<td>Other</td>
<td>2,401,341</td>
<td>2,140,512</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>104,142,841</td>
<td>106,104,327</td>
</tr>
<tr>
<td><strong>Operating margins before fixed charges</strong></td>
<td>25,000,634</td>
<td>12,277,241</td>
</tr>
<tr>
<td><strong>Fixed Charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>13,434,470</td>
<td>12,852,112</td>
</tr>
<tr>
<td>Other interest</td>
<td>1,030,470</td>
<td>836,900</td>
</tr>
<tr>
<td>Total fixed charges</td>
<td>14,464,940</td>
<td>13,689,012</td>
</tr>
<tr>
<td>Operating margins (deficit) after fixed charges</td>
<td>10,535,694</td>
<td>(4,377,192)</td>
</tr>
<tr>
<td><strong>Capital Credits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>617,715</td>
<td>567,284</td>
<td></td>
</tr>
<tr>
<td><strong>Non-operating Margins</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>141,997</td>
<td>210,723</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>77,869</td>
<td>68,310</td>
</tr>
<tr>
<td>Total Non-operating margins</td>
<td>44,818</td>
<td>142,413</td>
</tr>
<tr>
<td>Net margins (deficit)</td>
<td>11,508,537</td>
<td>(702,074)</td>
</tr>
<tr>
<td><strong>Patronage Capital, beginning of year</strong></td>
<td>81,912,869</td>
<td>82,614,943</td>
</tr>
<tr>
<td><strong>Patronage Capital, END of YEAR</strong></td>
<td>$93,421,406</td>
<td>$81,912,869</td>
</tr>
</tbody>
</table>