In 1938 DEMCO was established to bring electricity to southeast Louisiana. At that time, the first lines powered 750 meters. Now one of the largest electric co-ops in the country, DEMCO powers 113,000+ meters in seven parishes: Ascension, East Baton Rouge, East Feliciana, Livingston, St. Helena, Tangipahoa, and West Feliciana.

DEMCO is a not-for-profit electric cooperative that purchases power from a wholesale power supplier, then distributes that power to our members at our cost. About 65-70% of what you pay for electricity goes directly to the power supplier and the remaining 30-35% remains with the cooperative and pays for everything associated with distributing that power to cooperative members.

Local service and attention to the unique needs of our members is in large part what makes our co-op so successful. The decisions about your co-op are guided by a member-elected local board of directors, who represent all members.
The President’s Report is offered to the membership each year to highlight milestones and report on DEMCO operations.

2020 was certainly a year for the history books. First, we faced an historical pandemic which forced a complete shutdown to life as we know it. COVID health and safety protocols were implemented and enforced so our workforce could stay well to keep the power on for our members and communities. DEMCO set up office technology for employees to work remotely from home, and field workers, such as linemen, service men, operations and engineering personnel followed strict new procedures to stay well and be ready when needed.

A few months following the mandatory quarantine, ten hurricanes made U.S. landfall and two hit Louisiana. Although Cristobal, Marco, Laura and Sally dodged DEMCO service areas, October 9, 2020 brought Hurricane Delta – one of the worst weather events to impact the DEMCO system since Hurricane Gustav and the Flood of 2016. On the Saturday morning of Hurricane Delta, outages peaked at 42,000 and by mid-day on Monday, 36,000 meters were re-energized. Thanks to “Cooperation Among Cooperatives”, mutual aid crews from other electric co-ops joined DEMCO crews, and together the 250-large workforce implemented a well-coordinated and complex restoration plan to repair 169 broken poles and 407 lines across the 8,787 miles-span of distribution line.

On behalf of the entire board of directors, I want to thank the team of employees at DEMCO who responded so well during these challenges posed by 2020. “Team DEMCO” lived up to their bold name and performed above and beyond the call of duty during this historic year. They tackled the challenges before them and did so on behalf of our cooperative members.

Amidst a challenging year, DEMCO made big strides forward. A strategic decision was made to purchase and implement a new best-in-class software system that will help DEMCO deliver world-class service to the membership. A review of DEMCO 2020 system statistics shows DEMCO’s kilowatt-hour (kWh) sales were 2,109,781,338. The number of members billed was 113,381. Total miles of line equal 8,887, and system peak demand was 544 MW. Electric plant in service $721,265,052, an increase from $888,627,466 reported in 2019.

Two new board members were seated to fill vacancies, Mrs. Tresa Byrd serving St. Helena Parish, and Mr. Mike Anderson serving East Feliciana Parish. Board directors were re-elected without opposition to serve a three-year term: Steve Irving serving East Baton Rouge Parish, Mike Anderson serving East Feliciana Parish, Dennis Lott serving Livingston Parish, and Richard Sirman serving St. Helena Parish.

I speak for the entire board when I say that it is an honor to represent you and we welcome your input. Please reach out to any of us whenever we can be of assistance.

In service,

Danny Berthelot, President
DEMCO Board of Directors

As the CEO and general manager of DEMCO, it is my pleasure to provide an overview of 2020.

We started off the new year with a new look for our co-op publication Along these LINES, reformatted from newsprint to a magazine. Now with improved legibility and photo resolution, DEMCO continues the tradition of stories that highlight our co-op, our local communities, with added features of Louisiana’s heritage. In February, we launched Co-op Connections, a free discount program for our co-op members to save on dining, retail, pharmaceuticals, and healthcare.

March began with plans for our first annual membership meeting and expo, but then everything came to a halt as COVID-19 began to spread across the country and throughout Louisiana. Little did we know that this worldwide pandemic would change our way of life for the next twelve months and beyond.

As an essential service, DEMCO swiftly implemented health and safety protocols to protect our members, crews and staff. In compliance with Governor Edwards’ executive order, our district offices closed, and employees were set up to work from home – except the line crews and essential workers necessary to keep our members in power. These employees abided by strict strategies to guard them and their fellow workers from exposure - staggering work shifts, wearing protective equipment such as gloves and face masks, sanitizing equipment, and minimizing contact with anyone outside of their assigned crew.

During COVID, we delivered meals to area hospitals for essential workers; we purchased gift cards from DEMCO-member-restaurants and included them in care packages delivered to DEMCO-member schools; and we donated $10,000 to the Baton Rouge Health District in partnership with the Co-Bank Sharing Success Program; and $10,000 to the East Baton Rouge Council on Aging for the LOTUS food drive for seniors through the Watermark Community Partner grant.

We faced a very active hurricane season and were fortunate that Hurricanes Marco, Laura and Sally dodged our service areas. Only a few weeks later, DEMCO was hit by Hurricane Delta – the largest hurricane to hit our system since Gustav. But we weathered the storms, we weathered COVID, and through it all we took great pride in serving you – our members.

While our purpose is to provide safe and reliable energy, DEMCO operates by seven key cooperative principles. These principles focus on effectively serving our member/owners and continuously demonstrating our concern for and commitment to community. We always aim to be a catalyst for good and we always take this mission to heart.

I know we all agree that 2020 will go down in history as a year we will never forget. Together we encountered a significant threat – the first of its kind – and we powered through. Our world has changed in so many ways, but DEMCO is steadfast. We love this community and we take great pride in serving you, our co-op members.

In service,

Randy Pierce
CEO and General Manager
# MISSION, VISION, VALUES

**MISSION**
DEMCO is focused on enhancing the quality of life for members by providing safe, reliable and competitively priced energy services.

**VISION**
DEMCO strives to be an industry leader by being a trusted services provider for our members, an employer of choice and a respectable business partner that puts the community at the heart of everything we do.

**VALUES**
Our values serve as the organizational foundation that guides our decisions and direction. Our core values are Safety, Our People, Integrity, Member Focused and Innovation/Process Excellence.

## BOARD OF DIRECTORS
Fellow members are locally elected via a democratic process to ensure the way we conduct business is in the best interest and representative of our members. Board directors serve a three-year term.

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>Name</th>
<th>Parish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Elinda Taillon</td>
<td>Ascension Parish</td>
</tr>
<tr>
<td>2</td>
<td>Jill McGraw</td>
<td>East Baton Rouge Parish</td>
</tr>
<tr>
<td>3</td>
<td>Randy Lorio</td>
<td>East Baton Rouge Parish</td>
</tr>
<tr>
<td>4</td>
<td>Steve Irving</td>
<td>East Baton Rouge Parish</td>
</tr>
<tr>
<td>5</td>
<td>Mike Anderson</td>
<td>East Feliciana Parish</td>
</tr>
<tr>
<td>6</td>
<td>Glenn DeLee</td>
<td>East Feliciana Parish</td>
</tr>
<tr>
<td>7</td>
<td>Leslie Falks</td>
<td>Livingston Parish</td>
</tr>
<tr>
<td>8</td>
<td>Dennis Lott</td>
<td>Secretary/Treasurer</td>
</tr>
<tr>
<td>9</td>
<td>Daniel Berthelot</td>
<td>President</td>
</tr>
<tr>
<td>10</td>
<td>Richard &quot;Dickie&quot; Sitman</td>
<td>St. Helena Parish</td>
</tr>
<tr>
<td>11</td>
<td>Tresa Byrd</td>
<td>St. Helena Parish</td>
</tr>
<tr>
<td>12</td>
<td>Melissa Dufreche</td>
<td>St. Helena Parish</td>
</tr>
<tr>
<td>13</td>
<td>Kevin Beauchamp</td>
<td>West Feliciana Parish</td>
</tr>
</tbody>
</table>

Visit [www.DEMCO.org/About-Us/Board-Directors](http://www.DEMCO.org/About-Us/Board-Directors) to learn more about DEMCO Board of Directors.
DEMCO is proud to invest in our members by hosting and participating in events that have a positive impact on our communities. We are proud to partner and sponsor organizations that help our communities grow and prosper. Each year co-op staff and members voluntarily contribute financial resources to support various social causes in the communities served by DEMCO.

Although 2020 presented real challenges in the way we interacted with our members and community, we found ways to make a difference.

We delivered masks and meals to area hospitals for essential workers; we purchased gift cards from DEMCO-member-restaurants and included them in care packages delivered to DEMCO-member essential workers - grocery stores, nursing homes; teachers; and fire departments.

For graduating seniors throughout our seven-parish service territory, we posted yard signs at each district office and billboards highlighting the Class of 2020: Bright Futures Ahead! We know that spotlighting the graduates during a time when festivities were eliminated was an important gesture, and our way to give a big shout to show our support.

DEMCO programs also continued investing in the education of youth across our service areas, with scholarships totaling $133,000. This year because of COVID, the annual NRECA youth trip to Washington, D.C. was canceled, so the four DEMCO essay contest winners received a $2,000 scholarship, comparable to the value of the trip. Also, fifty DEMCO member-students were awarded a DEMCO Scholarship of $2,500.

In conjunction with the CoBank Sharing Success program, DEMCO received $15,000 to match our $15,000 divided among three local charities: $10,000 to the Greater Baton Rouge Food Bank, $10,000 to the Baton Rouge Health District, and $10,000 to the East Baton Rouge Council on Aging for LOTUS food drive for seniors.

In addition to co-op directed efforts, DEMCO employees made voluntary contributions to two local organizations, $73,419 to the Dream Day Foundation and $11,422 to Capital Area United Way. Although annual employee usually averages $65,000, in 2020 DEMCO employees went beyond that generous amount by $20,000, donating $84,841 to these worthy causes.

Through the Operation Roundup program, DEMCO members throughout our seven-parish service area voluntarily “round up” their monthly bill to the nearest dollar which goes toward funding the DEMCO Foundation. About two-thirds of DEMCO members participate each year, and the average contribution is $6.00. Over the years, the DEMCO Foundation has granted over $5.8 million to assist DEMCO members through a hardship.

Established in 1997, the DEMCO Foundation is a non-profit charitable subsidiary of DEMCO, funded by the members through Operation Round-Up, for members in times of need. DEMCO members are eligible to apply for funding up to $2,500 per calendar year. A DEMCO Foundation Board made up of community members reviews monthly applications and determines which to fund.

Established in 1997, the DEMCO Foundation is a non-profit charitable subsidiary of DEMCO, funded by the members through Operation Round-Up, for members in times of need. DEMCO members are eligible to apply for funding up to $2,500 per calendar year. A DEMCO Foundation Board made up of community members reviews monthly applications and determines which to fund.

820 Scholarships totaling $938,916
800 School Uniform Awards of $205,568
200 Children Purchased and Distributed to Over
$236,840 in Funds have been Provided for Medication and Medical Expenses for the Elderly and Disabled
$462,242 to Fund Handicap-Accessible Ramps and Critical Home Repairs
$452,267 Has Helped Over $2.1 Million Families
$2,1 Million remain in their homes through Rent and Mortgage Assistance

Helping Members in Times of Need
ECONOMIC DEVELOPMENT

Louisiana residents have the lowest electric rates in the country, and DEMCO works hard to do all we can to keep costs low for our members. We know that when we attract new commercial and industrial members, our co-op members benefit.

In addition to powering new businesses, bulk rate power supply helps keep residential prices down—a factor fueling growth in DEMCO service areas.

DEMCO has always played a major role in powering economic growth in the region. Attracting and working with residential and commercial developers helps to shape our communities and contribute to a strong local economy.

Communities throughout our seven-parish service area have seen a lot of growth in recent years, and 2020 is no exception. Even in the face of a pandemic, residential subdivision growth in the seven-parish DEMCO service territory was consistent and strong. There were 851 new residential lots developed in 2020. Zachary had a multi-family development with 144 units, pool and clubhouse; Livingston parish is sprouting new subdivisions such as The Belmont on Hwy 16 which project more than 500 lots once completed; Ascension Parish continues steady development with additional subdivisions ranging from 20-82 lots; and Central added a new commercial shopping site with two major chain-businesses seeking leases. The new RV Shop on Millerville Road in Baton Rouge was one of several new commercial developments and interest is growing in Livingston parish for RV parks with three on the development horizon.

As we continually effort to grow the co-op, our members benefit. Economic development is not only a factor of keeping rates low for our members, but also helps regional growth and overall quality of life.

FINANCIALS

ASSETS

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$652,902,733</td>
</tr>
<tr>
<td>Utility plant, net</td>
<td>539,035,948</td>
</tr>
<tr>
<td>Total investments and other assets</td>
<td>10,933,139</td>
</tr>
<tr>
<td>Current assets</td>
<td>578,284,114</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>11,710,846</td>
</tr>
<tr>
<td>Current portion of notes receivable</td>
<td>149,202</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>11,860,048</td>
</tr>
<tr>
<td>Consumers net of allowance</td>
<td>12,009,612</td>
</tr>
<tr>
<td>Other receivables</td>
<td>7,796,757</td>
</tr>
<tr>
<td>Unbilled revenue</td>
<td>10,825,623</td>
</tr>
<tr>
<td>Deferred fuel adjustment</td>
<td>-</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>4,518,346</td>
</tr>
<tr>
<td>Other current and accrued assets</td>
<td>2,304,641</td>
</tr>
<tr>
<td>Total current assets</td>
<td>599,284,114</td>
</tr>
<tr>
<td>Other assets</td>
<td>53,618,619</td>
</tr>
<tr>
<td>Total other assets</td>
<td>53,618,619</td>
</tr>
<tr>
<td>Total utility plant, net</td>
<td>539,035,948</td>
</tr>
<tr>
<td>INVESTMENTS AND OTHER ASSETS</td>
<td>10,933,139</td>
</tr>
<tr>
<td>Investments in associated organizations</td>
<td>10,916,351</td>
</tr>
<tr>
<td>Notes receivable, long-term portion</td>
<td>16,788</td>
</tr>
<tr>
<td>Certificate of Deposit pledged</td>
<td>600,000</td>
</tr>
<tr>
<td>Total investments and other assets</td>
<td>10,933,139</td>
</tr>
</tbody>
</table>
## FINANCIALS
### EQUITIES & LIABILITIES 2020 2019

<table>
<thead>
<tr>
<th>EQUITIES</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memberships</td>
<td>$445,935</td>
<td>$457,070</td>
</tr>
<tr>
<td>Patronage</td>
<td>111,914,061</td>
<td>112,762,645</td>
</tr>
<tr>
<td>Other equities</td>
<td>9,477,655</td>
<td>9,997,307</td>
</tr>
<tr>
<td>Total equity</td>
<td>121,837,651</td>
<td>123,917,022</td>
</tr>
</tbody>
</table>

### LONG-TERM DEBT

| Notes payable, less current maturities | 406,607,895 | 413,081,289 |
| Deferred interest-RUS notes | 258,381 | 363,303 |
| Total long-term debt | 406,866,276 | 413,444,592 |

### CURRENT LIABILITIES

| Current maturities of notes payable | 11,890,921 | 13,435,212 |
| Current portion of post-retirement benefit obligation | 1,899,395 | 1,820,639 |
| Lines of credit | 26,000,000 | 26,000,000 |
| Accounts payable | 16,429,828 | 12,554,134 |
| Consumer deposits | 8,671,473 | 8,372,409 |
| Accrued interest | 542,114 | 520,667 |
| Other accrued expenses and deferred credits | 2,024,027 | 1,816,072 |
| Customer refund | 4,880,381 | 5,945,218 |
| Total current liabilities | 72,518,139 | 44,464,351 |

### DEFERRED CREDITS AND OTHER LIABILITIES

| Accrued post retirement benefits | 46,101,287 | 44,573,234 |
| Deferred Credits | 5,579,380 | 5,563,650 |
| Total deferred credits & other liabilities | 51,680,667 | 50,136,884 |
| Total equities and liabilities | 652,902,733 | 631,962,849 |

## OPERATING REVENUE 2020 2019

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of power</td>
<td>114,943,762</td>
<td>123,778,362</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>2,082</td>
<td>11,660</td>
</tr>
<tr>
<td>Distribution-operations</td>
<td>7,340,997</td>
<td>7,863,218</td>
</tr>
<tr>
<td>Distribution-maintenance</td>
<td>18,718,167</td>
<td>19,414,867</td>
</tr>
<tr>
<td>Consumer accounts</td>
<td>7,326,906</td>
<td>6,288,663</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>10,846,694</td>
<td>9,885,306</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>22,051,792</td>
<td>20,822,473</td>
</tr>
<tr>
<td>Taxes</td>
<td>6,161,625</td>
<td>6,121,086</td>
</tr>
<tr>
<td>Other</td>
<td>5,202,000</td>
<td>3,129,255</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>190,594,025</td>
<td>197,314,870</td>
</tr>
<tr>
<td>Operating margins before fixed charges</td>
<td>12,269,667</td>
<td>15,545,237</td>
</tr>
</tbody>
</table>

### FIXED CHARGES

| Interest on long-term debt | 13,715,035 | 13,994,254 |
| Amortization on Reacquired debt | 22,646 | 22,646 |
| Other interest | 532,033 | 595,615 |
| Total fixed charges | 14,269,714 | 14,412,515 |
| Operating margins after fixed charges | (2,000,047) | 1,132,722 |

### CAPITAL CREDITS

| Interest income | 401,174 | 425,814 |
| Other income | 3,129,255 | 7,863,218 |
| Total non-operating margins | 2,488,194 | 724,403 |
| Income Tax Benefit | 107,556 | 103,857 |
| Net margins | 2,179,638 | 1,018,546 |

### PATRONAGE CAPITAL, BEGINNING OF YEAR

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>112,762,645</td>
<td>115,817,091</td>
</tr>
</tbody>
</table>

### PATRONAGE CAPITAL, END OF YEAR

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>111,914,061</td>
<td>112,762,645</td>
</tr>
</tbody>
</table>
EMPLOYEES

Betty Adams
Adam Aime
Walt Aldridge
Justin Andrews
Brook Andrus
Drew Arbour
Jake Arledge
Hijah Armstrong
Andrew Arnold
Marc Aucoin
Shiell Aultman
Kenneth Bailey
Braydon Ballard
Jason Ballard
Penny Bates
Jonathan Beland
Jeff Bellington
D’Aaron Bennett
Traymond Benton
Troy Bergeron
Jamie Berry
Trent Bigner
Jeremy Blouin
Kenneth Bourgeois
Daniel Brooks
Chase Broussard
Lori Broussard
Lacey Brown
Julie Burns
Luke Butler
Ashley Carradine
Scott Carraway
Nick Carruth
Andy Castello
Gabriela Castillo
Beau Caston
Brooke Causey
Todd Chauvin
Michael Chasson
Veronica Claborn
Jamie Coats
Dominique Comeaux
Kevin Commander
Donny Compton
Josh Conley
Patricia Courtney
Sheri Cox
Eric Crain
Daniel Cross
Dustin Crouch
Johnathan Crowder
Rickey Cummings
Doug Dalgo
Danny Delatte
Edeard DeLee
Scott DeLee
Jenny Desselle
Marissa Dolga
Patrick Donohue
Michael Doughty
Galen Dunbar
Tiffany Dunn
Wade Duplessie
Joshua Ellis
Vince Estes
Brad Everett
George Fage
Cade Felps
Frank Fowler
Penny Frugia
Lauren Garaudy
Cecil Garaudy
Mason Gauthreaux
Matt Gibson
Twyla Gibson
Cody Glasscock
Cole Glasscock
Travis Glasscock
Andy Graham
John Green
Dusty Guarino
Katia Guassfield
Jeff Guffey
Kip Guidy
Stephanie Guidry
Michelle Guidry
Kelli Guidry
Kate Guillot
Lee Guillot
Aaron Guitreau
Cody Harper
Darren Harrell
Philip Harris
Anne Hawes
Kelvin Haymon
Kelly Heroman
Zechary Herring
Caleb Herring
Mystery Heater
Orlando Hill
Ray Hill
Thomas Hodges
Cole Holden
James Holden
Avessia Holland
Thomas Holland
Dante Holmes
Scott Hoppe
Collin Howell
Austin Hudspeth
Corianna Hughes
Jodie Inness
Jeremy Jett
David Jewell
Andrea Johnson
Esha Johnson
Mike Johnson
Tori Johnson
Tylar Keefer
Moussa Keita
Jaymik Kenney
Lisa Key
Tommy Klein
Michael Knight
Missy Knoblauch
Ben Kyzar
Chad LaCost
Chad Landry
Destiny Landry
Devin Landry
Jake Lane
Joe Langlois
David Letona
Jef Lee
Jordan Lee
Kalib Lee
Louis Lee
Roman Lee
Sarah Lee
Sherri Lee
Shawn Little
Mark Liuzza
Lorenza Lively
Ken Lofton
Jared Louque
Valerie Lozano
Jared Mack
Patrick Mansfield
Jeffrey Marino
Chanon Martin
Ethan Martin
Mel Martin
Chasity McClure
Page McClure
Theodore McCray
Brian Merritt
Haley Merritt
Matthew Michael
Pernell Miles
Josh Miller
Scott Miller
Justin Minton
Paula Moms
Yuan Mizell
Jacob Moore
Tiffany Moore
Ben Morein
Bubba Morgan
Garrett Motichek
Quanika Muse
Lyle Newell
Alex Newman
Chad Norred
Eric Ouber
Jacob Overhultz
Russchelle Overhultz
Braden Owens
Phillip Pace
Kevin Pagano
Brady Parker
Jacob Parker
Melvin Parker
Luke Patterson
Brett Patterson
Lori Peak
Daniel Pandergist
Mark Phillips
Randall Pierce
Daniel Poirier
Dorvie Prest
Josh Prestidge
Matthew Read
Ryan Read
Terrie Reed
Anita Reviere
Elisheh Rheems
Nakita Ricard
Sandra Richard
Sam Rosso
Rachel Roule
Kathy Sanches
Saches
Linda Sanders
Asa Scott
Corey Sharpe
Levy Sibley
Nicole Sibley
Brandon Simon
Abigail Smith
Kellie Smith
Jared Soileau
Charles Spellman
Steven Spring
Darren St. Pierre
Jeremy Starks
Jeffrey Stewart
Larry Stewart
Raymond Stewart
Ashton Stokes
Blake Sullivan
Erica Sullivan
Patrick Tanner
Michael Taylor
Mari Templet
Agra Templet
Caton Templet
Aaron Terrance
Justin Terrell
Wendy Thibodeaux
Richie Thomas
Rusty Todd
Maders Trout
David Tucker
Blanca Tyson
Johannah Vann
Heather Verrett
Rhowanda Vessel
Chase Wascam
Jeremy Wascam
Doug Watson
Carl Watts
David Watts
Hannah Watts
Jordan Watts
Michael Welborn
Carl Westbrook
Danel White
Royland Wicker
J. Caleb Wilkinson
Derrick Willis
Dale Wolfe
Bodhi Wright
Tyler Zimmerman