ON CO

POWERING LIVES
POWERING LIVES

Brightening the Future



OUR MISSION

DEMCO EXISTS TO Serve Our Members THROUGH PROFESSIONALLY TRAINED EMPLOYEES PROVIDING SAFE, RELIABLE - AFFORDABLE ELECTRICITY AS WELL AS OTHER High-Quality PRODUCTS & SERVICES.



As a Good Corporate Citizen, TO STIMULATING THE ECONOMIC GROWTH & PROSPERITY OF OUR AREA THROUGH ETHICAL CONDUCT & SOUND BUSINESS PRINCIPLES.

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IN 2015 DEMCO SAW A CONTINUED TREND OF SUCCESSFUL GROWTH. THE Board of Directors & Employees ALIKE UNDERSTAND THE VALUE IN SUCH GROWTH.

As a member-owned business model, the positive growth helps us achieve our goals that are spelled out in our mission statement: to provide safe, reliable and affordable power.

Throughout 2015, we made every effort to deliver this to you, our valued members.

YOUR LOCALLY OWNED

ELECTRIC COOPERATIVE

CONTINUES TO BRING

Reliable Power

106,000

METERS
ON A SYSTEM THAT SPANS
7 PARISHES.

As we continue to seek opportunities to serve our members, we take note that our future is bright; a future that will be a strong foundation for more economic development and growth through communities that are looking for opportunities of employment, industry that gives back and a solid investment in the education of our children. As DEMCO continues to grow, we will keep the utmost concern for the

No matter the size of your cooperative, we will always be focused on you, the member. From our employees to our executive management team to the 13 members of the democratically elected board of directors, our main priority will always be you.

As we grow, we continue to utilize a power delivery system that will save our members money. When we can bring additional accounts and members online, it allows us to keep costs down for all members, new and those who have been served by DEMCO for decades. Each member is important to us.

A review of DEMCO's 2015 system statistics reflects another solid year. DEMCO's kilowatt-hour (kWh) sales grew from 2,127,470,503 in 2014 to 2,143,453,882 in 2015. The number of members billed increased from 105,137 in 2014 to 106,226 in 2015. Total miles of line in operation showed an average of 8,330 miles by the end of 2014, and by the end of 2015 totaled 8,406 miles.

This board of directors holds a great honor to represent the valued membership of DEMCO through another successful year. We are also 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 you expect through the delivery of safe, reliable and affordable power that has made this electric cooperative as strong as it is today.

In closing, I would like to thank the DEMCO Board of Directors for allowing me to serve the membership as the president of the board. I also want to thank you, the members of DEMCO, for the support you have shown this board of directors. This support brings us encouragement in order to represent you the best we can.

In service,

RICHARD SITMAN, PRESIDENT

DEMCO Board of Directors

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POWERING FUTURE

ECONOMIC DEVELOPMENT



OVER THE PAST FIVE YEARS, DEMCO HAS AVERAGED AN ANNUAL EXPENDITURE OF

\$30 MILLION

IN New System Construction & Expansion, Plus AN ADDITIONAL

\$15 MILLION

TOWARD System Maintenance.

Investing heavily, but wisely, in continuous upgrades to substations, transformers, conductors, reclosers, and other power distribution equipment is critical to ensuring a delivery system that is not only reliable in fair weather but strong enough to withstand inclement conditions.

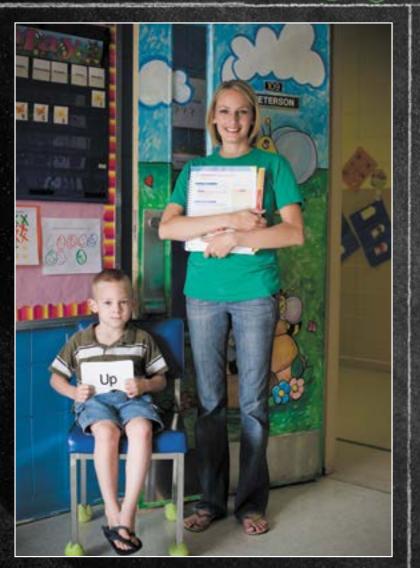


OUR OPERATIONS, ENGINEERING & CONSTRUCTION DEPARTMENTS make the best use of the latest technological advancements in the industry.



Future plans include expanding our system to accommodate high-paced residential growth along the I-10 and I-12 corridors as well as the commercial and industrial growth occurring in and around the Greater Baton Rouge Metropolitan Area.

MAKING THE SHIP Shine Brighter



EACH YEAR BOUR Employees MAKE A COMMITMENT TO THE COMMUNITIES WE SERVE

by supporting organizations such as the American Heart Association Heart Walk, the annual Get Your Rear in Gear: Colon Cancer Awareness Run and the

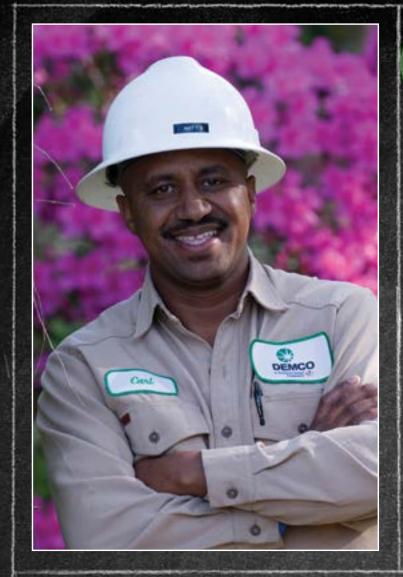
2 Seam Dream Foundation's Love Baseball

Hate Cancer annual home run derby.

These are just a few examples of how

DEMCO is living up to the title of

"GOOD CORPORATE CITIZEN."



JUST AS DEMCO CARES
FOR THOSE IN NEED IN THE COMMUNITY.

SO DOES OUR FAMILY OF EMPLOYEES.
Together, the members of DEMCO's workforce gave

Together, the members of DEMCO's workforce gave from their own pockets toward worthy causes.

IN 2015, EMPLOYEES GAVE OVER

\$80.000

to the Dream Day Foundation benefiting St. Jude Children's Research Hospital and United Way.

PROGRAMS LIKE THESE ALLOW OUR
TRUE COOPERATIVE

Spirit to Shine.

DEMCO SHOWS THE UTMOST RESPECT FOR INDIVIDUALS who Choose to Better Themselves through Higher Education.

In 2015, 10 one-year college scholarships were awarded to the children of DEMCO members. Furthermore, DEMCO committed to education by touring schools throughout the cooperative's seven-parish service territory and bringing the electrical safety magic show "Making Accidents Disappear."



BOARD OF DIRECTORS



J.terestest.

STEVE IRVING
Vice President
DISTRICT 4

East Baton Rouge Parish



DENNIS LOTT
Secretary / Treasurer
DISTRICT 8
Livingston Parish



CLARENCE BROCK
DISTRICT 1
Ascension Parish



ANN SAMUEL
DISTRICT 2
East Baton Rouge Parish



RANDY LORIO

DISTRICT 3

East Baton Rouge Parish



ALICE FAYE MORRIS

DISTRICT 5

East Feliciana Parish



GLENN DELEE
DISTRICT 6
East Feliciana Parish



LESLIE FALKS

DISTRICT 7

Livingston Parish



DANIEL P. BERTHELOT

DISTRICT 9

Livingston Parish



JOSEPH SELF SR.

DISTRICT 11

St. Helena Parish



EUGENE O. TRAYLOR

DISTRICT 12

Tangipahoa Parish



FREDDY METZ

DISTRICT 13

West Feliciana Parish

· JANUARY ·

BASEBALL & MAJOR LEAGUE
BASEBALL GREATS
partnered with DEMC0 to support the

2 SEAM DREAM FOUNDATION

and their efforts to

Strike Out Cancer

at the organization's annual home run derby.



APRIL

Ascension Parish Director

CLARENCE BROCK, Tivingston Parish Director

LESLIE FALKS,

East Baton Rouge Parish Director

ANN SAMUEL,

and St. Helena Parish Director

JOE SELF
all returned to the

DEMCO BOARD OF DIRECTORS

as each was re-elected for a three-year term.

FEBRUARY

DEMCO joined community leaders in

LIVINGSTON PARISH

as they performed a ceremony
CELEBRATING THE OPENING
OF THE NEW COURTHOUSE

that the cooperative is honored to serve.



· MARCH ·

In support of the cause of

BREAST CANCER AWARENESS

AT THE SUSAN G. KOMEN RACE FOR THE CURE.

more than 70 runners, joggers and walkers participated on DEMCO's team.

The team is made up of employees, their families and friends.

So MAY

DEMCO was honored at the 2015 Connect Conference hosted by the National Rural Electric Cooperatives Association to receive a national award for communications.

THE COOPERATIVE WON THE SPOTLIGHT ON EXCELLENCE AWARD FOR

BEST TOTAL
COMMUNICATION
PROGRAM.

· JUNE ·

BROOKS COURTNEY, ANNA JOLIBOIS, MOLLY MAGEE, & THOMAS WOLFF

each won an all-expense paid trip to Washington, D.C. The four were winners in the

2015 DEMCO RURAL ELECTRIC YOUTH TOUR ESSAY CONTEST

and joined other Louisiana winners on this trip of a lifetime.

Ce JULY

DEMCO held its

UNDERGROUND POWER DISTRIBUTION TRAINING CLASS

at our state-of-the-art field training area located at co-op headquarters on Wax Road.

DEMCO PROVIDES EMPLOYEES WITH THE TECHNICAL KNOWLEDGE AND SKILLS TO PERFORM THEIR WORK AS Safely & Efficiently as possible.

• SEPTEMBER

DEMCO continued our service to the communities we serve by appearing at several area schools to

Promote
Electrical Safety.
THE MESSAGE IS A GREAT ONE, & THE
BUCKET TRUCK
ALWAYS STEALS THE SHOW.

OCTORFR

For the second year in a row.

· AUGUST ·

DEMCO SENT 10 COLLEGE STUDENTS OFF TO

WITH A TWO-SEMESTER SCHOLARSHIP.

The cooperative awards scholarships to members

(or their children) through a random drawing each year.

DEMCO EMPLOYEES DONNED THEIR Pink Hardhats

Field personnel used the pink personal protective equipment throughout the month to SHOW THEIR COMMUNITY

SHOW THEIR COMMUNITY
SPIRIT & SUPPORT FOR THE CAUSE.

· DECEMBER ·

Throughout 2015, DEMCO shared in the CELEBRATION OF 15 EMPLOYEES

as they made a decision to

RETIRE FROM SERVICE TO THE COOPERATIVE.

WHEN THESE MEMBERS OF THE WORKING FAMILY DECIDED TO RETIRE, THEY COMPLETED 492 YEARS OF QUALITY SERVICE TO THE MEMBERS OF DEMCO.

At the and of another

At the end of another

NOVEMBER (Sa.)

Hurricane Season,

DEMCO WAS GLAD TO HAVE

REPORTED NO MAJOR INCIDENCES
CAUSED BY TROPICAL WEATHER.

However, each year the cooperative refreshes a detailed emergency response plan to prepare each department and employee for a situation that may warrant a large-scale response.

SERVICES

The - DEMCO FOUNDATION is a Nonprofit

Charitable Organization

PROVIDING FINANCIAL ASSISTANCE TO DEMCO MEMBERS IN THEIR TIMES OF NEED.

Individual assistance, college scholarships and emergency assistance are available to members through a confidential process.





(located in Denham Springs, Louisiana) OFFERS VALUABLE RESOURCES TO SMALL BUSINESSES IN THE AREA.

**** ** ******* ***

As part of its offerings, the incubator owns office space for long or short-term lease.

Wendy Armstrong Hijah Armstrong Dena Arnold Andrew Arnold II Marc Aucoin Shinell Aultman Kenneth Bailey Jason Ballard **Kevin Beauchamp** Jeff Bellington Debra Bennett Troy Bergeron Jamie Berry Trent Bigner Jeremy Blouin Kenny Bourgeois Jr. **Brent Bradley** Daniel Brooks Lori Broussard **Chase Broussard Mary Broussard** Julie Burns Nick Carruth Greg Carruth **Andy Castello** Beau Caston Jr. Todd Chauvin Mike Chiasson Sr. Veronica Claiborne Myra Clark **Jamie Coats** Kevin Commander Josh Conleay Patricia Courtney

Eric Crain

Betty Adams

Justin Andrews

Jacob Arledge

Paula Dixon D.J. Doguet Patrick Donohue Michael Doughty Galen Dunbar Tiffany Dunn Wade Duplessie **Brister Dupont** Norman Engler John Ervin II Vince Estes Cade Felps **David Fournet** Frank Fowler Penny Fruge Cecil Garaudy Travas Glascock Cody Glascock Vernon Graham Andrew Graham John Green **Dusty Guarino** Michelle Guidry Stephanie Guidry Lee Guillot Darren Harrell Philip Harris

Johnathan Crowder

Rickey Cummings

Fred Dabney Sr.

Doug Dalgo II

Danny Delatte

Robert DeLee Jr.

Jenny Desselle

Tara Divis

Scott DeLee

Ric Cutrer

Chuck Heine

Rav Hill Jr.

Mystery Hester

Beverly Hodges

Jimmy Holden

Avesia Holland

Thomas Holland

Billy Holleman

Austin Hudspeth

Warren Jefferson

Jeremy Jett

David Jewell

Toni Johnson

Andrea Johnson

Chanon Johnson

Darryl Hassell

Dale Johnson **Andre Jones** Tommy Klein Jr. Michael Knight Missy Knoblauch Chad LaCost IV **Chad Landry** Devn Landry Jan Landry Jake Lane David Latona Jeff Lea **Dentory Lee** Kaleb Lee

Roman Lee Louis Lee **Shawn Little** Lorenza Lively Jared Louque Jeff Lyons Patrick Mansfield **Mel Martin** Raelvn McAdams Chasity McClure Page McClure Theo McCray Jr. Anita McNeal **Halev Meadows** Brian Merritt

Phillip Pace

Kerri Pagano

Jacob Parker

Melvin Parker

Mike Parker Sr.

Tammy Patton

Sonya Miles **Pernell Miles** Josh Miller Scott Miller **Justin Milton** Yuan Mizell **Raymond Mizell Tiffany Moore** Ben Morein Freddie Moreno Quanika Muse Chad Norred Eric Ouber Jacob Overhultz

Russchelle Overhultz Erica Sullivan Blake Sullivan **Patrick Tanner** Esther Tapia Agra Templet Marci Templet **Aaron Terrance Mason Thacker** Wendy Thibodeaux **Richie Thomas Buddy Thompson III Rusty Todd** David Tucker Turk Tynes Ryan Vandersypen Jimmie Varnado Rhowanda Vessel John Vranic Debra Walker Jeremy Wascom **Booker Washington Doug Watson Hannah Watts** Carl Watts Carl Westbrook Darrel White **Robby White Royland Wicker** Caleb Wilkinson



Assets

2015 2014

UTILITY PLANT

Electric Plant in service	\$602,226,337	\$577,688,941
Construction work in progress	17,371,926	23,725,870
Other fixed assets	3,716,876	3,789,911
	623,315,139	605,204,722
Less: accumulated depreciation	(144,117,837)	(139,079,038)
Total utility plant not	470 107 202	AGG 195 GOA

INVESTMENTS AND OTHER ASSETS

investments in associated enganizations	5,10%,20%	0,120,001
Notes receivable, long-term portion	76,037	94,318
Motol investments and other assets	0.000.000	0.590.105

CURRENT ASSETS

		MARKET SECTION
Cash and cash equivalents	1,423,759	1,623,782
Restricted cash		2,266,943
Current portion of notes receivable	40,737	155,518
Accounts receivable		
Consumers (net of allowance for uncollectible accounts of \$324,779 in 2015)	9,474,738	10,067,659
Unbilled revenue	11,126,594	12,200,444
Other receivables (net of allowance of \$377,336 in 2015)	2,581,809	1,916,169
Deferred fuel adjustment	2,163,880	6,491,595
Materials and supplies	6,235,297	6,664,895
Prepaid expenses	895,301	1,480,180
Total current assets	33 942 115	42 867 185

OTHER ASSETS

Deferred charges	71,170,841	69,159,864
Intangible, net	800	800
Certificate of deposit-pledged	<u>600,000</u>	<u>150,000</u>
	m. mm. 0.1	00 010 001
Total other assets	71,771,641	69,310,664
Total assets	\$594,719,387	\$587,823,718



2014

EQUITIES

Memberships	\$440,555	\$434,128
Patronage	105,959,839	101,321,202
		ALL OF THE SECOND

LONG-TERM DEBT

Notes payable, less current maturities	372,072,334	323,737,268
Deferred interest-RUS notes	1,119,148	1,654,538
Total lang-term debt	272 101 <i>1</i> 129	225 201 2 08

CURRENT LIABILITIES

Managed overdraft		5,272,844
Current maturities of notes payable	11,484,927	11,831,225
Line of credit	13,495,524	53,422,244
Accounts payable	13,930,121	15,744,294
Consumer deposits	8,154,847	7,966,967
Accrued interest	682,344	775,007
Other accrued expenses and deferred credits	2,100,143	3,428,539
Customer refund	624,336	624,336
Rate moderation plan		2,266,943
Total current liabilities	50 472 242	101 332 399

DEFERRED CREDITS AND OTHER LIABILITIES

Accrued post retirement benefits	58,732,700	53,680,500
Accrued vacation and sick pay	5,922,569	5,663,683
Total deferred credits & other liabilities	64,655,269	59,344,183
Total equities and liabilities	\$594,719,387	\$587,823, 718

Operations &

Patronage Capital	2015	2014
OPERATING REVENUE	\$206,898,748	\$212,226,368
OPERATING EXPENSES		
Cost of power	124,587,290	126,131,817
Cost of sales	3,682	6,321
Distribution-operations	8,065,263	7,704,695
Distribution-maintenance	16,810,080	16,407,317
Consumer accounts	6,529,697	6,269,364
Administrative and general	7,570,239	9,358,684
Depreciation and amortization	18,415,130	17,948,559
Taxes	5,638,282	5,456,730
Other .	2,144,159	2,602,096
Total operating expenses	189,763,822	191,885,583
Operating margins before fixed charges	17,134,926	20,340,785
FIXED CHARGES		
Interest on long-term debt	12,496,163	12,334,147
Other interest	1,043,305	1,222,668
Total fixed charges	13,539,468	13,556,815
Operating margins after fixed charges	3,595,458	6,783,970
CAPITAL CREDITS	944,222	940,184
NON-OPERATING MARGINS	Name of Street, or other Persons	
Interest income	160,236	220,398
Other income (expense)	(61,279)	(44,756)
Total non-operating margins	98,957	175,642
Net margins (deficit)	4,638,637	7,899,796
PATRONAGE CAPITAL, BEGINNING OF YEAR	101,321,202	93,421,406
PATRONAGE CAPITAL, END OF YEAR	\$105,959,839	\$101,321,202
TAINONAGE ON TIAL, END OF TEAN	φ100,000,000	\$101,021,202



106,226 8,406 1.397

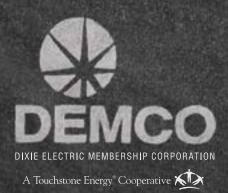
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AVERAGE MONTHLY REV./MEMBER

TOTAL KWHS BOUGHT

2,272,117,000 602.517

SYSTEM PEAK DEMAND



DEMCO.ORG