



COOPERATIVE
HYDRO EMBRUN
INC.

ANNUAL REPORT

2025



<https://hydroembrun.ca/>

COOPÉRATIVE HYDRO EMBRUN INC.

ANNUAL REPORT 2025

821 NOTRE-DAME STREET, SUITE 200, EMBRUN (ONTARIO) K0A 1W1

BUSINESS HOURS

Monday	9:00 a.m. to 5:00 p.m.
Tuesday	9:00 a.m. to 5:00 p.m.
Wednesday	9:00 a.m. to 5:00 p.m.
Thursday	9:00 a.m. to 5:00 p.m.
Friday	9:00 a.m. to 5:00 p.m.

**STANDBY SERVICE IN CASE OF A POWER OUTAGE
24-HOUR SERVICE**

Telephone:	613-443-5110
Fax:	613-443-0495
Email:	info@hydroembrun.ca
Website:	www.hydroembrun.ca
Facebook Page:	Coopérative Hydro Embrun

Table of Contents

BOARD OF DIRECTORS — 2025	4
AGENDA	5
MINUTES OF THE ANNUAL GENERAL MEETING 2025	6
MESSAGE FROM THE BOARD OF DIRECTORS	11
RESIDENTIAL RATE COMPARISON	13
CAPITAL EXPENDITURES	14
HISTORICAL COMPARISON OF ENERGY COSTS	15
2025 HIGHLIGHTS	16
STATISTICS	20
DIVIDENDS PAID SINCE THE COOPERATIVE'S INCEPTION	21
SOCIAL REPORT	22
AUDITOR'S REPORT — 2025	23
SERVICES PROVIDED BY THE COOPÉRATIVE	27

Notice of Meeting

April 20, 2026

Dear Members,

You are cordially invited to attend the Annual General Meeting of the **Hydro Embrun Coopérative Inc.**, which will be held at the **Embrun Sports Complex**, located at **6 Blais Street, on Tuesday, May 5, 2026, at 7:00 p.m.**

We sincerely hope you will be able to attend.

The meeting agenda is provided below.

Agenda

- Opening of the Meeting
- Notice of Meeting and Quorum
- Adoption of the Agenda
- Approval of the Minutes of the Annual General Meeting of April 23, 2025
- Board of Directors' Report
- Service Fees for 2025
- Highlights, Statistics and 2025 Social Report
- Auditor's Report
- Appointment of Auditors
- Executive Director's Report
- Member Dividend
- Election of a Director
- Question Period
- Participation Prize
- Adjournment of the meeting

Relevant information related to the agenda items can be found in the 2025 Annual Report, available on our website at the following address: <https://hydroembrun.ca/information/annual-report/>. The Annual Report will also be displayed on a screen during the meeting.

We invite you to submit in advance any questions or topics you would like to see addressed at the meeting. You may contact us by email at info@hydroembrun.ca or by phone at 613-443-5110. Refreshments will be served following the meeting.

Rachelle Laplante

President

Jean Gauthier

Secretary

BOARD OF DIRECTORS — 2025

BOARD OF DIRECTORS MEMBERS

Rachelle Laplante
Jean Gauthier
Marc Sanche
Félix Lalonde
Luc Bruyère

President — 2026
Secretary — 2027
Administrator — 2028
Administrator — 2026
Administrator — 2027

MEMBRES DU PERSONNEL

Othmane Ajdi
Luc Prévost
Gabriel Seyer

Executive Director
Billing Coordinator
Customer Service and Administrative Assistant

DISTRIBUTION SYSTEM CONTRACTOR

Sproule Powerline

ENGINEER

Stantec Consulting Group

FOUNDING MEMBERS

Georges Cardinal
Camille Piché
Jean Martel
Jean-Paul Lafrance
Diane Roy
Luc Bruyère
Jean Lessard
Lucie Lapointe
Pierre Carrière

AGENDA

1. Opening of the Meeting
2. Notice of Meeting and Quorum
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5. Board of Directors' Report
6. Highlights, Statistics and 2025 Social Report
7. Auditor's Report
8. Appointment of Auditors
9. Executive Director's Report
10. Member Dividend
11. Election of a Director
12. Question Period
13. Participation Prize
14. Adjournment of the Meeting

**MINUTES OF THE
ANNUAL GENERAL MEETING 2025**

Coopérative Hydro Embrun Inc.
Embrun, April 23, 2025, 7 p.m.

Minutes of the Coopérative Hydro Embrun Inc. Annual General Meeting held online on Wednesday, April 23, at 7:00 p.m.

Members present:

Alain Viau
Alderic Laflèche
Daniel L. Clément
Diane Arcand
Donald Baker
Eva Landry
Félix Lalonde
François Bidal
Françoise Bourdeau
Gabriel Seyer
Jean Murphy
Louis Bourdeau
Luc Bruyère
Luc Prévost — Silicon Valley Services
Martine Savage
Maurice Godard
Michel Bourgeois
Pierre Carrière
Rachelle Laplante

Other participants:

Othmane Ajdi
Rachel Anne Normand

Opening of the Meeting

The meeting is called to order at 7:16 p.m. Mr. Félix Lalonde, Chair, welcomes those present. He then introduces the board members and staff.

Notice of Meeting and Quorum

The Chair invites the Secretary, Mrs. Rachelle Laplante, to read the notice of the 24th Annual General Meeting of Coopérative Hydro Embrun Inc.

The Chair then establishes quorum. He confirms the presence of 15 members, the number required to constitute a quorum, and declares the meeting duly constituted.

On a motion by Mr. Alain Viau, seconded by Mr. Michel Bourgeois, Mrs. Rachel Anne Normand acts as recording secretary.

Adoption of the Agenda

The Chair presents the agenda.

On a motion by Mr. François Bidal, seconded by Mrs. Eval Landry, the agenda is adopted by unanimous consent.

Approval of the Minutes of the Annual General Meeting of April 17, 2024

The Chair recommends that the reading of the minutes of the 2024 Annual General Meeting be waived, as a copy is available on the website. He notes that he will be available to answer any questions at the end of the meeting.

On a motion by Mr. Alderic Laflèche, seconded by Mr. Louis Bourdeau, the waiver of the reading of the minutes is approved.

Board of Directors' Report

The Chair presents the Board of Directors' message, as published on page 11 of the Annual Report, which also serves as the Chair's report.

The Board unanimously adopts a resolution confirming that the sale of the Hydro Embrun Coopérative will not be considered and that no further discussions on this matter will take place. It also confirms that the sales tax, originally set to expire in 2024, has been extended to 2028.

The Chair notes that 2024 saw very few power outages. Only two outages affected more than 20 customers, and just one was attributable to the Hydro One network.

As of December 31, 2024, the Coopérative has 1,610 members. Since 2001, more than \$767,000 was returned to members in patronage dividends, based on a \$10 membership fee.

The Board acknowledges the support of Mr. Jean Leduc, former Chief Administrative Officer of the Township of Russell, in the recruitment of the new Executive Director and in various human resources matters.

Planned new connections for 2025 include the Interlude House on St-Augustin Road, as well as the continuation of the Station Embrun project north of the bike path.

Finally, the Chair thanks Benoit Lamarche and Brigitte Larocque for their more than 20 years of service to the Coopérative and welcomes Othmane Ajdi and Gabriel Seyer to the team.

Highlights, Statistics and 2024 Social Report

The Chair invites Ms. Rachelle Laplante to present the 2024 highlights, as outlined on pages 15 and 16 of the Annual Report.

Mr. François Bidal requests clarification regarding the "Finance and Budget Management" section. He asks whether the 3.6% rate increase takes into account the projected 2.7% inflation rate. If not, he asks how the Coopérative intends to cover these additional costs.

Mr. Othmane Ajdi confirms that the 2.7% increase in salary expenses is included in the 3.6% rate increase.

The secretary then presents the 2024 social report.

Auditor's Report

The Chair invites Mr. Louis-Charles Gascon, Audit Partner at BDO Dunwoody, to present the results of the annual audit.

Mr. Gascon begins by presenting the Independent Auditor's Report, found on page 20 of the Annual Report. He confirms that, in BDO's opinion, the financial statements present fairly, in all material respects, the financial position of the Coopérative as of December 31, 2024, and that International Financial Reporting Standards (IFRS) are applied consistently.

He then provides an overview of the statement of financial position (page 24), noting the overall stability observed. He highlights certain significant variances, including increases in term deposits and accounts receivable. These increases are primarily due to higher electricity rates, which are beyond the Coopérative's control. As a result, both assets and liabilities increase, as the Coopérative purchases electricity at higher rates and passes these costs on to its customers.

The auditor then presents the statement of changes in equity (page 25), highlighting three expense categories: association fees, professional fees, and salaries and benefits. The increase in professional fees and salary-related expenses is attributable to one-time costs associated with the replacement of Mr. Benoît Lamarche and Ms. Brigitte Larocque, including recruitment efforts and a transition period during which multiple staff members are employed concurrently.

He concludes his presentation with the statement of cash flows (page 27).

During the question period, Mr. Pierre Carrière requests clarification regarding the \$54,000 decrease in the "Maintenance and Repair" category compared to the previous year. Mr. Gascon explains that this type of expense is difficult to forecast, as it varies from year to year based on operational needs. In 2024, work primarily focuses on the substation and the underground network, which explains the variance.

On a motion by Mr. Pierre Carrière, seconded by Mr. Maurice Bédard, the financial statements and the auditor's report are accepted as presented.

Appointment of Auditors

The Chair informs the meeting that no proposals have been received for the appointment of a new audit firm. He therefore invites the meeting to appoint BDO Dunwoody as auditors for the year ending December 31, 2025.

Mr. Michel Bourgeois moves that BDO Dunwoody be appointed as auditors for the year ending December 31, 2025. The motion is seconded by Mr. Alain Viau and carried unanimously.

Executive Director's Report

The Chair invites Mr. Othmane Ajdi to present the Executive Director's report, as outlined on pages 13, 14, and 17 of the Annual Report.

Mr. François Bidal inquires about the evaluation of software related to information security. Mr. Othmane Ajdi responds affirmatively, noting that the Coopérative is protected in the event of a cyberattack and that data backups are performed twice daily. He adds that the transition to Sage Cloud is currently underway, which will further enhance data security.

Mr. Pierre Carrière asks whether transformers can be purchased in Canada. Mr. Othmane Ajdi confirms that this is the case.

Member Dividend

The Chair presents a resolution adopted by the Board of Directors recommending that a dividend of \$60,000, representing 23.80% of net income before taxes as at December 31, 2024, be distributed to members of the Coopérative. This dividend corresponds to 4.66% of the distribution fees paid by members and will be applied as a credit to their invoices.

Election of Directors

The Chair presents the nomination report. He notes that one director position, for a three-year term, is open for election. He further indicates that the Coopérative receives, on December 31, 2024, the nomination of Mr. Luc Bruyère, proposed by Mrs. Carman Clément and seconded by Mr. Don Timmins.

Question Period

The Chair invites the members to raise any questions, recommendations, or proposed initiatives.

Mr. Pierre Carrière expresses the wish that all members of the Board of Directors be present at the Annual General Meeting. The Chair confirms that the absences this evening are due to personal reasons.

No further questions are raised.

Participation Prize

The Board decides to award a \$50 prize to each of the 15 members present. This amount is credited to their electricity bills.

Adjournment of the Meeting

The Chair once again thanks the Coopérative's employees. As there is no further business, on a motion by Mrs. Eva Landry, seconded by Mrs. Françoise Bourdeau, the meeting is adjourned at 8:05 p.m.

Félix Lalonde, President

Rachelle Laplante, Secretary

MESSAGE FROM THE BOARD OF DIRECTORS

On behalf of the Board of Directors and employees, I am pleased to present the 2025 Annual Report of the Hydro Embrun Coopérative Inc., along with an overview of the key developments that shaped our year.

The year 2025 unfolded in a demanding environment marked by economic, operational, and regulatory challenges. Despite this context, the Coopérative continued to carry out its mission with diligence, commitment, and determination. Through the dedication of our team and sound management practices, we continued to provide reliable, high-quality service to our members.

From a financial perspective, the Coopérative delivered a strong performance in 2025. Net income totalled \$268,225, return on equity reached 4.14%, and a dividend of \$60,000 was distributed to members.

Over the past 25 years, the Coopérative has returned \$827,798 in patronage dividends to its members. In 2025, we also contributed \$4,300 to various community initiatives, reflecting our ongoing commitment to supporting the well-being of our community.

We also continued to invest in our network. Capital investments totalling more than \$61,025.50 were made to ensure the reliability of our electricity service, including \$21,206.00 for the replacement of aging infrastructure and the improvement of network resilience, as well as \$9,419.00 to support growth and meet new demand.

In terms of reliability, we recorded **nine** localized outages, affecting an average of **one** customer per outage, with an average duration of one hour. These interruptions were primarily attributable to accidents or adverse weather conditions.

Hydro One Networks, our electricity supplier, recorded **one** outage lasting **one** hour. While the Coopérative has no control over these interruptions, it remains important to report them, as they affect all of our customers when they occur.

The year 2025 was also marked by the growth of our network. As a result of new residential and commercial construction, the Coopérative welcomed 43 new customers. In 2026, we anticipate the addition of approximately 75 new connections. This growth is significant, as it will contribute to the strength of our network and the maintenance of competitive rates.

As a cooperative, we believe it is essential to give back to our community. That is why we have continued our commitment to several local initiatives through donations, contributions, and our participation in projects that benefit the region.

We also work in collaboration with the Township of Russell on various projects that benefit our community, including the Main Street Rehabilitation and Beautification Project, initiated in 2025 and expected to continue until 2027, at an estimated cost of \$226,500.00.

I would also like to highlight the remarkable work of our employees. The year 2025 represented a significant period of adjustment for our organization. With the arrival of our new Executive Director in October 2024, the hiring of a new administrative employee, and the retirement of two key employees at the end of 2024, our team had to demonstrate a strong capacity for adaptation. I sincerely thank each and every one of them for their professionalism, commitment, and dedication.

We also continue to prioritize local purchasing whenever possible, work with regional partners and subcontractors, and maintain local decision-making for the benefit of our community.

In closing, on behalf of the Board of Directors, I wish to assure you that we continue to manage your Coopérative in a sound, prudent, and responsible manner. Despite the challenges, we remain committed to serving you effectively, maintaining competitive rates, and advancing our organization in the best interests of all our members.

Chair of the Board of Directors
Rachelle Laplante
Coopérative Hydro Embrun Inc.

RESIDENTIAL RATE COMPARISON

Company	Distribution costs*	2024 Efficiency**
Hydro Hawkesbury January 1, 2026	\$23.22	1
Ottawa River Power May 1, 2026	\$29.81	1
Renfrew Hydro January 1, 2026	\$33.76	3
Ottawa Hydro January 1, 2026	\$34.26	4
Coopérative Hydro Embrun January 1, 2026	\$38.23	1
Hydro One Moderate density January 1, 2026	\$43.70	4
Hydro 2000 May 1, 2026	\$45.77	2

* **Distribution fees are charges applied by the local distribution company.** These fees include a fixed monthly charge, a volumetric distribution rate, and variance provisions, where applicable.

**The PEG Report — August 2025 (Pacific Economics Group Research) is submitted annually to the Ontario Energy Board to demonstrate the efficiency of electricity distribution companies.

Utilities must manage their costs effectively to ensure that customers receive the best possible service for the rates they pay. Total utility costs are assessed in order to produce a single efficiency ranking. This ranking is divided into five groups, based on the difference between the actual and forecasted costs of each utility. Distributors whose actual costs are lower than their forecasted costs are considered more efficient.

***The year of the distribution company's most recent cost of service study.

CAPITAL EXPENDITURES

	2021	2022	2023	2024	2025	TOTALS
Software	\$35,504.73	\$21,400.00	\$27,710.06	\$25,578	-	\$110,192.79
Equipment of electrical stations	-	-	-	-	\$21,206.00	\$21,206.00
Pole replacement	\$31,527.52	\$24,673.52	\$41,350.00	\$22,400.00	-	\$119,951.04
Overhead conductors, devices	\$5,615.00	\$15,206.74	\$6,714.75	\$13,377.75	\$4,000.00	\$40,914.24
Underground conductors, devices	\$2,565.00	\$1,548.00	\$54,215.25	\$7,113.75	-	\$65,442.00
Low-voltage transformers	\$97,309.59	\$138,833.00	\$174,519.21	\$35,886.67	\$13,982.01	\$460,532.48
New services for clients	\$38,580.06	\$58,452.29	\$23,671.03	\$16,723.14	\$9,419.00	\$146,845.52
Meters	\$12,092.51	\$13,329.00	\$22,395.75	\$31,878.50	\$10,925.11	\$90,620.87
Office furniture and equipment	\$75.00	\$1,028.70	-	\$1,415.90	\$1,243.39	\$3,762.99
Computer equipment and hardware	-	\$2,898.90	\$2,223.99	\$2,099.00	\$249.00	\$7,471.88
Grants and contributions	(\$3,148.05)	(\$6,003.75)	(\$16,008.95)	(\$15,711.50)	(\$12,758.25)	(\$53,630.50)
	\$220,121.36	\$271,366.40	\$336,791.09	\$140,763.21	\$48,267.25	\$828,278.85

HISTORICAL COMPARISON OF ENERGY COSTS

Monthly consumption: 750 kWh

Year	Fixed price	Price on a volumetric basis	Invoice total (%)	Invoice total (\$)	Changes in monetary value	Process	Distribution costs
2026	\$38.23	\$0.0000	0.59%	\$149.59	\$1.36	IRM	\$38.23
2025	\$36.87	\$0.0000	1.19%	\$143.34	\$1.18	IRM	\$36.87
2024	\$35.59	\$0.0000	5.07%	\$142.16	\$6.86	IRM	\$35.59
2023	\$35.59	\$0.0000	2.50%	\$135.30	\$3.29	Cost of Service	\$35.59
2022	\$37.44	\$0.0000	5.78%	\$132.01	\$7.21	IRM	\$37.44

Analysis

2022-2023:

- Decrease of \$1.85 on the monthly distribution rate.
- Decrease in the Ontario program discount: -17% to -11.7%.

2023-2024:

- Increase of \$6.86 in total billing.
 - Increase of one variance provision.
 - Increase in the Ontario program discount, from -11.7% to -19.3%.
 - Increase in transmission costs.
 - Increase in energy costs.
- No monthly increase in distribution rates.

2024-2025:

- Increase of \$1.18 in total billing.
- Increase of 1.19% on the monthly distribution rate.

2025-2026:

- Increase of \$1.36 in total billing.
- Increase of 0.59% on the monthly distribution rate.

2025 HIGHLIGHTS

Financial Management and Ongoing Oversight

In 2025, the Board of Directors of the Coopérative Hydro Embrun Inc. maintained close oversight of the organization's financial position at each of its regular meetings. Statements of revenue and expenses, operating reports, accounts receivable, and accounts payable were reviewed on an ongoing basis, enabling the Board to maintain a clear and comprehensive understanding of the Coopérative's financial health.

This disciplined approach to financial management was complemented by continuous monitoring of bank balances and cash flow, including the optimization of the business savings account at Caisse Desjardins. Early in the year, management also reported an adjustment to the savings account to obtain a more favourable return, reflecting a commitment to managing cash resources in a prudent and strategic manner.

Monitoring of Provincial Programs and Customer Account Management

At the same time, management continued to monitor overdue accounts and collection files. In January, the Board approved the referral of accounts to collections, and in February it was informed that the number of accounts referred at that stage was higher than anticipated. This ongoing oversight reflects the importance placed on rigorous revenue management and the protection of the Coopérative's financial interests.

At the same time, management continued to monitor overdue accounts and collection activities. In January, the Board approved sending certain accounts to a collection agency, and in February it was informed that the number of accounts sent to collections was higher than anticipated. This ongoing oversight reflects the importance placed on careful revenue management and the protection of the Coopérative's financial interests.

Regulatory Compliance and Sector Requirements

The year 2025 was marked by several significant regulatory files. Management oversaw the **2025 RRR filing**, secured an extension from the Ontario Energy Board until May 31 for certain requirements, and confirmed that all filings were submitted within the prescribed timelines.

At the same time, the Coopérative continued its work with the Ontario Energy Board on matters related to its service territory, rate obligations, and changes to key regulatory parameters, including the 3.7% adjustment applicable in 2026.

These activities show that CHEI remained actively engaged in a constantly evolving regulatory environment, while continuing to meet the requirements applicable to electricity distributors across the province.

Network Modernization and Capacity Map

The Coopérative also devoted significant efforts to modernizing its network information tools. In May, the Ontario Energy Board requested the development of a map illustrating network coverage, with the goal of improving access to information for customers, particularly in response to growing demand related to electric vehicles.

Management worked throughout the summer to develop and publish this map. The initiative then moved into Phase 2 of the Capacity Map, which includes capacity assessments for feeders, distributed energy resources (DERs), and micro-DERs, as well as technical coordination with Planview.

This project gained increasing importance toward the end of the year, as the Coopérative worked to meet the Ontario Energy Board's expectations in terms of mapping, transparency, and available network capacity.

Cybersecurity and Organizational Reliability

Operational security and system protection remained key priorities in 2025. At each regular board meeting, management confirmed that no cybersecurity incidents or breaches of confidentiality had been identified. Early in the year, however, the Board was informed that an email account had been compromised after its password was found on the dark web, which heightened vigilance around cybersecurity.

In this context, management also outlined the benefits of transitioning to Sage 50 Cloud, both to strengthen IT security and to achieve annual cost savings. In November and December, the Coopérative made progress on the Independent Cyber Security Assessment required by the Ontario Energy Board, working in collaboration with iSOLV to deliver a report aligned with the applicable timelines and standards for CHEI's risk profile.

Real Estate Development and Growing Demand on the Network

From an operational perspective, 2025 was a particularly active year for new development projects. The Board of Directors was kept informed of the progress of several residential and multi-unit developments, including projects at 1203 St-Augustin Street; 1099, 1001, 1089, 809, and 813 Notre-Dame Street; Block 16 on Voyageur Street; and 130 St-Mauritz Street.

These projects required ongoing coordination to address electricity supply needs, connection points, available capacity, and the procurement of equipment such as transformers. Over the course of the year, projects involving Maison Interlude, Olico Builders, JM Peartree Holdings, and Bertrand Plumbing continued to move forward, reflecting sustained development activity within the Coopérative's service area.

Equipment Management and Procurement Optimization

In support of these projects, the Coopérative continued efforts to secure the supply of key equipment. Management focused on sourcing and installing transformers, comparing supplier options, and building direct relationships with manufacturers to help reduce acquisition costs.

The Board was also kept informed of technical and contractual issues affecting certain equipment, including the **K-TEK Bushing** matter, which required close oversight due to concerns related to compliance, billing, and project timelines. These efforts highlight a strong focus on equipment reliability, cost control, and protecting the Coopérative's interests in its dealings with suppliers.

Net Metering and Network Capacity

Net metering also became a more prominent issue over the course of the year. In September, management presented a case involving a customer who raised concerns about the measurement of their electricity production and consumption, as well as access to certain information through the customer portal. A review confirmed that the Hydro Embrun meter was operating correctly.

In December, in relation to a 39 kVA project at 1203 St-Augustin Street, management explained that only about 15 kVA of capacity was available on the affected feeder without system upgrades. As a result, any request exceeding that capacity would require a Customer Impact Assessment (CIA). This situation highlights current network capacity constraints and underscores the importance of thorough technical analysis before approving certain distributed generation connections.

Major Project: Notre-Dame Street Redevelopment

Among the key initiatives of 2025, the **Notre-Dame Street redevelopment project** stood out as one of the most significant for the Coopérative. In the spring, the Township of Russell requested updates on the progress of the plans, and management indicated that a technical study by an engineering firm would be required.

Over the summer, a meeting with the municipality helped define the scope of the study and explore options to reduce CHEI's share of the costs. In September, the Coopérative received a formal request from the Township of Russell and the United Counties of Prescott and Russell regarding the relocation and undergrounding of its infrastructure, prompting a more detailed review of the project's legal and financial implications.

In November, after reviewing estimated costs of **\$226,500 plus taxes**, the Board authorized the CHEI to proceed with the required work and to assume the associated costs. In December, management confirmed that a quotation had been submitted to the Township and that the Coopérative was awaiting the contract. This project required a significant level of strategic oversight from the Board, given its financial, operational, and institutional implications.

Human Resources and Internal Governance

In 2025, the Board continued its work on human resources management and internal governance. In the spring, it approved an **employment agreement** developed with the support of Jean Leduc Consulting and began discussions on the development of an **employee handbook** and a **code of conduct**.

Employee compensation was also reviewed on several occasions. In June, the Board approved a salary increase for Gabriel Seyer, subject to the update and approval of his job responsibilities. In September, management presented a broader review of salary scales based on a sector study conducted by MEARIE, laying the groundwork for a gradual adjustment of the Coopérative's compensation structure.

Finally, in November, the Board approved a **2.2%** cost-of-living increase for 2026, along with a **\$400** holiday bonus to be issued with the 25th payroll of 2025.

Internal Policies, Operational Continuity and Management Support

The year also saw progress on several internal governance tools. Work on the **harassment policy** continued throughout the year, first in paper form and later in a digital format, before being formally adopted in September.

In November and December, management also brought the Board's attention to the organization's increasing workload and the importance of ensuring succession planning and operational continuity in the event of an absence. In December, the Board requested a detailed overview of current employees' responsibilities in order to better assess the need for an additional resource.

These discussions reflected a clear intention to further strengthen the organization's structure in support of its growing responsibilities.

Corporate Image, Administrative Tools and Organizational Modernization

Alongside its technical and regulatory work, the Coopérative continued to modernize its organizational practices. In May, the Board approved a new logo, marking an important step in the evolution of the CHEI's brand.

Discussions around the renewal of the lease and the potential relocation of the office, including a possible move closer to the new library, also reflected a desire to strengthen the Coopérative's visibility and presence within the community.

These efforts were supported by a number of initiatives aimed at improving internal organization, including work carried out in SharePoint to better structure Coopérative policies, as well as ongoing discussions related to communications and strategic marketing.

Community Engagement and Local Support

In keeping with its cooperative mission, the CHEI maintained an active presence in the community in 2025. At a special meeting held in January, the Board of Directors approved a series of donations to community organizations, local institutions, and regional initiatives. These contributions supported hospital foundations, schools, community support organizations, youth initiatives, and charitable organizations across the service area. This ongoing commitment reflected the Coopérative's intent to remain an engaged and responsive partner, attentive to the needs of the community it serves.

Conclusion

Overall, 2025 was characterized by steady management, a high level of operational activity, and several key initiatives shaping the Coopérative's future. In the face of ongoing development projects, increasing regulatory demands, network capacity challenges, organizational investments, and community responsibilities, the Coopérative Hydro Embrun Inc. continued to demonstrate diligence, adaptability, and a strong commitment to its members and the community it serves.

STATISTICS

Kilowatt hours sold in 2025

CATEGORY	KILOWATT HOURS SOLD	NUMBER OF CLIENTS	REVENUES PER CATEGORY	% OF TOTAL REVENUES
RESIDENTIAL	25,541,511	2,544	\$1,112,592.42	83.05
COMMERCIAL > 50 KW	5,126,381	176	\$132,949.49	9.92
COMMERCIAL < 50 KW	4,341,477	9	\$61,114.24	4.56
STREET LIGHTS	236,317	1	\$29,509.92	2.20
CLIENTS WITH NO METER	100,860	17	\$3,482.76	0.26
TOTAL	35,346,546.00	2,747	\$1,339,648.83	100%

DIVIDENDS PAID SINCE THE COOPERATIVE'S INCEPTION

YEAR	DIVIDENDS
2001	\$8,025.00
2002	\$53,250.00
2003	\$31,350.00
2004	\$16,820.00
2005	\$12,775.00
2006	\$0.00
2007	\$34,155.00
2008	\$22,370.00
2009	\$24,610.00
2010	\$19,705.00
2011	\$24,018.00
2012	\$55,915.00
2013	\$42,870.00
2014	\$21,935.00
2015	\$20,000.00
2016	\$20,000.00
2017	\$0.00
2018	\$35,000.00
2019	\$45,000.00
2020	\$50,000.00
2021	\$50,000.00
2022	\$60,000.00
2023	\$60,000.00
2024	\$60,000.00
2025	\$60,000.00
TOTAL	\$827,798.00

SOCIAL REPORT

Community

After 25 years, the Coopérative Hydro Embrun Inc. continues to perform well despite ongoing changes in the industry. Individuals who wish to become members may do so by paying a \$10.00 membership fee.

Board of Directors

In 2025, the Coopérative's directors protect the interests of their customers by staying informed of developments in the electricity sector. They serve as their voice in decisions made during monthly meetings and meetings held outside the organization.

Member Profit Sharing

A dividend of \$60,000.00, representing 18.49% of net income before taxes as at December 31, 2025, will be distributed to members of the Coopérative.

Service Fees

Each year, the Board of Directors reviews its service fees. For more information, members may contact the office during regular business hours.

Human Resources Development

The Board of Directors participated in meetings to stay informed of the latest developments in the industry. Staff participated in various software training sessions.

Community Development

The Coopérative made donations totalling \$4,300.00 to the following local organizations:

- Montfort Hospital	\$1,000
- Club Richelieu Embrun (Golf Tournament)	\$200
- St-Jacques Church	\$500
- Prescott Russell Basketball Club	\$100
- Maison des arts	\$500
- Bursary for Embrun High School	\$600
- Valoris	\$600
- Winchester Hospital	\$500
- Victoria Quilt's	\$300

In summary

This report demonstrates the Coopérative's active commitment to improving the community.

Embrun Hydro Cooperative Inc.
Statement of Financial Position
As at December 31, 2025

Coopérative Hydro Embrun Inc.
État de la situation financière
au 31 décembre 2025

	2025	2024	
	\$	\$	
Assets			Actif
Current assets			À court terme
Cash	2,449,872	1,095,166	Encaisse
Term deposit	-	777,509	Dépôt à terme
Accounts receivable	613,348	585,378	Débiteurs
Unbilled service revenue	649,819	521,009	Produits provenant de services non facturés
Payments in lieu of taxes receivable	-	10,124	Paielements tenant lieu d'impôts à recevoir
	3,713,039	2,989,186	
Property and equipment	5,617,497	5,832,854	Immobilisations corporelles
	9,330,536	8,822,040	
Regulatory deferral account debit balances and related deferred tax	168,046	187,928	Soldes débiteurs de comptes de report réglementaires et d'impôt différé connexe
	9,498,582	9,009,968	
Liabilities			Passifs
Current liabilities			À court terme
Accounts payable and accrued liabilities	1,178,222	1,078,146	Créditeurs et charges à payer
Payments in lieu of taxes payable	586	-	Paielements tenant lieu d'impôt à payer
Patronage payable	60,000	60,000	Ristournes à payer
	1,238,808	1,138,146	
Contributions in aid of construction	1,400,871	1,371,805	Apports affectés à la construction
Customer deposits	26,865	27,590	Dépôts de clients
Deferred taxes	111,083	105,477	Impôt différé
	2,777,627	2,643,018	
Contract and lien commitments			Contrat et privilège Engagements
Members' Equity			Capitaux propres
Share capital	15,430	16,120	Capital-actions
Retained earnings	3,740,570	3,472,345	Bénéfices non répartis
Contributed surplus	2,862,994	2,862,994	Surplus d'apport
	6,618,994	6,351,459	
	9,396,621	8,994,477	
Regulatory deferral account credit balances and related deferred tax	101,961	15,491	Soldes créditeurs de comptes de report réglementaires et d'impôt différé connexe
	9,498,582	9,009,968	

Signed on behalf of the Board of Directors' by:

Director _____

Director _____

Director _____

Signé au nom du conseil d'administration:

Administrateur

Administrateur

Administrateur

Embrun Hydro Cooperative Inc.
Statement of Changes in Members'
Equity

Year ended December 31, 2025

Coopérative Hydro Embrun Inc.
État des variations des capitaux
propres

Exercice clos le 31 décembre 2025

	Share capital / Capital- actions	Retained earnings / Bénéfices non répartis	Contributed surplus / Surplus d'apport	Total / Total	
	\$	\$	\$	\$	
Balance as at January 1, 2024	15,870	3,307,057	2,862,994	6,185,921	Solde au 1 janvier 2024
Profit for the year and net movements in regulatory deferral account balances	-	165,288	-	165,288	Résultat pour l'exercice et mouvement net des soldes de comptes de report réglementaires
Net change in active members	250	-	-	250	Variation nette du capital-actions
December 31, 2024	16,120	3,472,345	2,862,994	6,351,459	31 décembre 2024
Profit for the year and net movements in regulatory deferral account balances	-	268,225	-	268,225	Résultat pour l'exercice et mouvement net des soldes de comptes de report réglementaires
Net change in active members	(690)	-	-	(690)	Variation nette du nombre de participants actifs
December 31, 2025	15,430	3,740,570	2,862,994	6,618,994	31 décembre 2025

Embrun Hydro Cooperative Inc.
Statement of Earnings
Year ended December 31, 2025

Coopérative Hydro Embrun Inc.
État des résultats
Exercice clos le 31 décembre 2025

	2025	2024	
	\$	\$	
Revenues			Revenus
Energy	4,561,640	4,507,742	Énergie
Distribution	1,349,293	1,281,207	Distribution
Other operating revenues	79,614	75,199	Autres revenus d'exploitation
	5,990,547	5,864,148	
Cost of energy	4,561,640	4,507,742	Coût de l'énergie
	1,428,907	1,356,406	
Expenses			Charges
Advertising and promotion	9,589	8,600	Publicité et promotion
Bad debts	10,500	9,900	Créances douteuses
Customer billing	86,213	103,682	Facturation des clients
Depreciation of property and equipment	276,382	283,198	Amortissement des immobilisations corporelles
Insurance	14,308	12,477	Assurance
Membership fees	52,757	46,551	Frais d'associations
Office	41,557	40,582	Frais de bureau
Professional fees	100,978	142,185	Frais professionnels
Rent	23,000	22,100	Loyer
Repairs and maintenance of network	120,176	105,002	Entretien et réparations du réseau
Salaries and benefits - directors	43,725	44,909	Salaires et avantage sociaux - administrateurs
Salaries and benefits - employees	347,925	361,045	Salaires et avantage sociaux - employés
Telephone	11,249	9,697	Téléphone
Travel	6,324	4,674	Voyagement
Patronage	60,000	60,000	Ristournes
	1,204,683	1,254,602	
Income from operating activities	224,224	101,804	Produits provenant des activités d'exploitation
Finance income	101,040	98,539	Produits financiers
Finance cost	(6,343)	(8,278)	Frais financiers
Income before provision for payment in lieu of taxes	318,921	192,065	Résultat avant provision pour paiement tenant lieu d'impôts
Income tax expense	56,302	20,609	Impôts sur les bénéfices
Profit for the year before net movements in regulatory deferral account balances	262,619	171,456	Résultat pour l'exercice avant le mouvement net des soldes de comptes de report réglementaires
Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement	5,606	(6,168)	Mouvement net des soldes de comptes de report réglementaires lié aux produits et aux charges et de l'impôt différé connexe
Net income for the year and net movements in regulatory deferral account balances	268,225	165,288	Résultat net pour l'année et mouvement net des soldes de comptes de report réglementaires

Embrun Hydro Cooperative Inc.
Statement of Cash Flows
Year ended December 31, 2025

Coopérative Hydro Embrun Inc.
État des flux de trésorerie
Exercice clos le 31 décembre 2025

	2025	2024	
	\$	\$	
Cash flows from operating activities			Flux de trésorerie liés aux activités d'exploitation
Net income for the year and net movements in regulatory deferral account balances	268,225	165,288	Résultat net pour l'exercice et mouvement net des soldes de comptes de report réglementaires
Adjustments to reconcile income to net cash used in operating activities:			Ajustements pour rapprocher le résultat et l'encaisse nette utilisée par les activités d'exploitation:
Amortization of property and equipment	276,382	283,198	Amortissement des immobilisations corporelles
Amortization of contributions in aid of construction	(51,260)	(50,905)	Amortissement des apports affectés à la construction
Accrued interest revenue	-	(39,779)	Revenus d'intérêts accumulés
Changes in non-cash working capital			Variation des éléments hors caisse du fonds de roulement
Accounts receivable	(27,970)	(123,840)	Débiteurs
Unbilled service revenue	(128,810)	(15,603)	Produits provenant de services non facturés
Accounts payable and accrued liabilities	100,074	106,258	Créditeurs et charges à payer
Payments in lieu of taxes receivable / payable	10,710	(9,223)	Paiements tenant lieu d'impôts à recevoir / à payer
Deferred taxes	5,606	(6,168)	Impôt différé
Customer deposits	(725)	4,245	Dépôts de clients
	452,232	313,471	
Investing activities			Activités d'investissement
Proceeds from disposal of term deposit	777,509	-	Produit découlant de la disposition de dépôt à terme
Purchase of property and equipment	(61,025)	(156,475)	Acquisition d'immobilisations corporelles
Changes in regulatory deferral account balances	106,354	81,125	Variation des soldes de comptes de report réglementaires
	822,838	(75,350)	
Financing activities			Activités de financement
Contributions in aid of construction	80,326	15,712	Apports affectés à la construction
Issuance of share capital	840	1,080	Émission de capital-actions
Redemption of share capital	(1,530)	(830)	Rachat de capital-actions
	79,636	15,962	
Net increase in cash	1,354,706	254,083	Augmentation nette de la trésorerie
Cash, beginning of the year	1,095,166	841,083	Encaisse, début de l'exercice
Cash, end of the year	2,449,872	1,095,166	Encaisse, fin de l'exercice

ELECTION OF DIRECTORS — 2025

The Coopérative received a nomination on December 31, 2025.

One director position is open for a three-year term.

The nomination of Mr. Marc Sanche was proposed by Mr. François Lapointe and Ms. Sylvie J. Sanche.

SERVICES PROVIDED BY THE COOPÉRATIVE

TECHNICAL SERVICES

- Cable localization
- Underground services
- Overhead services
- Meter verification
- Cost estimates
- Subdivision plan and proposals
- Maintenance of tree branches
- Information on monthly electricity use of appliances

PAYMENT METHODS

- Pre-authorized payment
- Cheque
- Equal payments, telepayment
- Cash
- Money order

ADDRESS

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