

2025 Auditor's Report and Audited Financial Statements

ARROW's auditors, JDP Wasserman LLP presented the 2025 Financial Statements and Audit Findings, where they successfully completed the year end audit and issued an unqualified opinion with no significant findings identified. In 2025, ARROW reported excess revenues over expenses of \$30.9 million, with \$83.1 million in revenues and \$52.2 million in expenses. Revenue included \$7.5 million in provincial grant for the Train 4 Plant expansion. Expenses increased by \$1.4 million as compared to prior year, driven mainly by higher financing-related costs, amortization, and disposals; and partly offset by lower operating expenditures incurred. An increased utilization of cash and investments in 2025 was applied to Train 4 Plant Expansion funding requirements, unplanned line breaks, and higher interest costs. Overall, net tangible capital assets rose by \$91 million, mainly from Train 4 construction. ARROW's net debt level increased to \$59 million with proceeds of \$66 million received with an offset of \$7 million in repayment. While debt exceeded ARROW's standard limit, it continues to remain within the Minister-approved temporary increase. The Board approved the 2025 Audited Financial Statements unanimously.

Committee Terms of Reference

The Terms of Reference for all four Board Committees have been updated to reflect recent changes to Access to Information legislation (formerly the Freedom of Information Act). No other changes were recommended.

Board Policies

The Governance and Human Resources Committee brought forward a Delegation of Authority Board policy, which the Board approved with minor revisions. The Committee will now develop two additional definitions (material change and emergency expenditure) for inclusion and bring them forward at the next Board meeting. The Board also discussed whether a Board-level Procurement Policy remained necessary, given that an Administrative policy is already in place, key exceptions are addressed in the Delegation of Authority Policy, and the organization must comply with applicable procurement legislation. Following discussion, the Board approved a motion to rescind the Board-level Procurement Policy by a vote of 7-5.

Documentation Practices

Following discussion at the February 12, 2026, Governance and Human Resources Committee meeting, the Board reviewed its current approach to minute taking for Board and Committee meetings. Based on legal advice, the Board unanimously approved a return to decision-focused minutes that record resolutions, actions, and outcomes, rather than narrative summaries of deliberations. This approach aligns with standard municipal practice and supports clear, objective governance records.

Notice of Motion

A motion brought forward by Councillor Parks on behalf of Strathcona County to amend the Administration and Procedures Bylaw was tabled until the June 19, 2026 Board meeting, pending receipt of the EY review findings.