

QUARTERLY FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2009

Unaudited

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Changes in Net Assets

Consolidated Statement of Cash Flows

Significant Accounting and Reporting Practices

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2009

(millions of dollars)

	9 Months ended Dec 31, 2009 Actual	12 Months ended March 31, 2010 Budget
<u>ASSETS</u>		
Current		
Cash and cash equivalents	\$ 1,302	\$ 745
Accounts receivable	178	227
Contributions receivable from Alberta Health and Wellness	128	36
Inventories	109	91
Prepaid expenses	50	47
	<u>1,767</u>	<u>1,146</u>
Non-current cash and investments	712	885
Capital contributions receivable	86	68
Capital assets	5,995	6,690
Other assets	103	110
	<u>8,663</u>	<u>8,899</u>
TOTAL ASSETS	\$ 8,663	\$ 8,899
<u>LIABILITIES AND NET ASSETS</u>		
Current:		
Bank indebtedness	\$ -	\$ 921
Accounts payable and accrued liabilities	701	642
Accrued vacation pay	346	374
Deferred contributions	983	459
Current portion of long-term debt	14	13
	<u>2,044</u>	<u>2,409</u>
Deferred contributions	126	217
Deferred capital contributions	1,204	713
Long-term debt	180	371
Unamortized external capital contributions	5,089	5,696
Other liabilities	42	40
	<u>8,685</u>	<u>9,446</u>
Net assets:		
Accumulated deficit	(767)	(1,273)
Investment in capital assets	717	716
Accumulated net unrealized gain on investments	18	-
Operating net assets	(32)	(557)
	<u>10</u>	<u>10</u>
Endowments	(22)	(547)
	<u>8,663</u>	<u>8,899</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 8,663	\$ 8,899

CONSOLIDATED STATEMENT OF OPERATIONS
For the Nine Months ended December 31, 2009
(millions of dollars)

	9 Months ended Dec 31, 2009		12 Months ended March 31, 2010	
	Actual	Budget	Forecast*	Budget
Revenue:				
Alberta Health and Wellness contributions	\$ 6,228	\$ 6,156	\$ 8,492	\$ 8,423
Other government contributions	36	36	53	64
Fees and charges	360	382	567	574
Ancillary operations	85	78	113	113
Donations	16	13	19	19
Investment and other income	218	232	265	280
Amortized external capital contributions	225	224	314	314
TOTAL REVENUE	7,168	7,121	9,823	9,787
Expenses:				
Inpatient acute nursing services	1,769	1,760	2,538	2,573
Emergency and outpatient services	814	825	1,119	1,156
Facility-based continuing care services	689	621	862	872
Ambulance services	239	230	363	329
Community-based care	466	499	638	657
Home care	286	275	387	387
Diagnostic and therapeutic services	1,250	1,245	1,781	1,730
Promotion, prevention and protection services	251	242	340	352
Research and education	147	142	201	200
Administration	222	325	310	344
Information technology	226	198	345	304
Support services	1,065	1,081	1,578	1,595
Amortization of facilities and improvements	122	128	173	173
TOTAL EXPENSES	7,546	7,571	10,635	10,672
Deficiency of revenue over expenses	\$ (378)	\$ (450)	\$ (812)	\$ (885)

* Forecasted as at January 25, 2010

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the Nine Months ended December 31, 2009
(millions of dollars)

	Actual for the 9 Months ended December 31, 2009					
	Accumulated deficit	Investment in capital assets	Accumulated net unrealized gains/(losses) on investments	Operating net assets	Endowments	Total
Balance at beginning of year	\$ (343)	\$ 671	\$ (17)	\$ 311	\$ 10	\$ 321
Deficiency of revenue over expenses	(378)	-	-	(378)	-	(378)
Endowment contributions	-	-	-	-	-	-
Capital assets purchased with internal funds	(128)	128	-	-	-	-
Amortization of internally funded capital assets	86	(86)	-	-	-	-
Repayment of long-term debt used to fund capital assets	(4)	4	-	-	-	-
Unrealized gains (losses) arising during the period on investments	-	-	36	36	-	36
Transfer of net realized losses (gains) on investments to revenue	-	-	(1)	(1)	-	(1)
Balance at end of period	<u>\$ (767)</u>	<u>\$ 717</u>	<u>\$ 18</u>	<u>\$ (32)</u>	<u>\$ 10</u>	<u>\$ (22)</u>

	Budget for the 12 Months ended March 31, 2010					
	Accumulated deficit	Investment in capital assets	Accumulated net unrealized gains/(losses) on investments	Operating net assets	Endowments	Total
Balance at beginning of year	\$ (343)	\$ 671	\$ (17)	\$ 311	\$ 10	\$ 321
Deficiency of revenue over expenses	(885)	-	-	(885)	-	(885)
Endowment contributions	-	-	-	-	-	-
Capital assets purchased with internal funds	(200)	200	-	-	-	-
Amortization of internally funded capital assets	165	(165)	-	-	-	-
Repayment of long-term debt used to fund capital assets	(10)	10	-	-	-	-
Unrealized gains (losses) arising during the period on investments	-	-	16	16	-	16
Transfer of net realized losses (gains) on investments to revenue	-	-	1	1	-	1
Balance at end of year	<u>\$ (1,273)</u>	<u>\$ 716</u>	<u>\$ -</u>	<u>\$ (557)</u>	<u>\$ 10</u>	<u>\$ (547)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Nine Months ended December 31, 2009
(millions of dollars)

	9 Months ended Dec 31, 2009 Actual	12 Months ended March 31, 2010 Budget
Operating activities:		
Deficiency of revenue over expenses	\$ (378)	\$ (885)
Net amortization of capital and intangible assets	86	125
Other	(46)	50
Net change in non-cash working capital	150	(367)
Cash used by operating activities	<u>(188)</u>	<u>(1,077)</u>
Investing activities:		
Capital asset additions	(768)	(1,617)
Net change in investments	1,197	1,018
Net change in non-cash working capital	(58)	(31)
Other	1	8
Cash generated from (used by) investing activities	<u>372</u>	<u>(622)</u>
Financing activities:		
Capital contributions received	78	294
Proceeds from long-term debt	-	190
Principal payments on long-term debt	(9)	(10)
Cash generated from financing activities	<u>69</u>	<u>474</u>
Increase (decrease) in cash and investments	253	(1,225)
Cash and investments, beginning of period	<u>1,049</u>	<u>1,049</u>
Cash and investments, end of period	1,302	(176)
Non-current cash and investments	<u>712</u>	<u>885</u>
Total cash and investments, end of period	<u>\$ 2,014</u>	<u>\$ 709</u>
Restricted cash	\$ 1,823	\$ 1,630
Unrestricted cash	<u>191</u>	<u>(921)</u>
Total cash and investments, end of period	<u>\$ 2,014</u>	<u>\$ 709</u>

Cash is defined as cash and cash equivalents and is net of bank indebtedness.



SIGNIFICANT ACCOUNTING AND REPORTING PRACTICES

For the Nine Months ended December 31, 2009

The Quarterly Financial Statements for Alberta Health Services have been prepared using the deferral method of accounting. Accounting policies are consistent with those used to prepare the annual audited financial statements of the former health regions and boards. These policies are currently under review and therefore have not been standardized for this report.