

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Financial Position

Consolidated Statement of Change in Net Debt

Consolidated Statement of Remeasurement Gains and Losses

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Schedule 1 – Consolidated Schedule of Expenses by Object

Schedule 2 – Consolidated Schedule of Salaries and Benefits

Schedule 3 – Consolidated Schedule of Segment Disclosures

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements for the year ended March 31, 2019 are the responsibility of management and have been reviewed and approved by senior management. The consolidated financial statements were prepared in accordance with Canadian Public Sector Accounting Standards and the financial directives issued by Alberta Health, and of necessity include some amounts based on estimates and judgment.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- safeguard the assets and properties of the "Province of Alberta" under Alberta Health Services' administration

Alberta Health Services carries out its responsibility for the consolidated financial statements through the Audit & Risk Committee (the Committee). The Committee meets with management and the Auditor General of Alberta to review financial matters, and recommends the consolidated financial statements to the Alberta Health Services Board for approval upon finalization of the audit. The Auditor General of Alberta has free access to the Committee.

The Auditor General of Alberta provides an independent audit of the consolidated financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures which allow him to report on the fairness of the consolidated financial statements prepared by management.

[Original Signed By]

Dr. Verna Yiu, MD, FRCPC
President and Chief Executive Officer
Alberta Health Services

[Original Signed By]

Deborah Rhodes, CPA, CA
Vice President Corporate Services and Chief Financial Officer
Alberta Health Services

May 30, 2019

To the Members of the Alberta Health Services Board and the Minister of Health

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Alberta Health Services (the Group), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, remeasurement gains and losses, change in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019, and the results of its operations, its remeasurement gains and losses, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie, FCPA, FCMA, ICD.D]
Auditor General

May 30, 2019
Edmonton, Alberta

CONSOLIDATED STATEMENT OF OPERATIONS			
YEAR ENDED MARCH 31			
	2019		2018
	Budget (Note 3)	Actual	Actual
Revenues:			
Alberta Health transfers			
Base operating	\$ 12,486,000	\$ 12,485,595	\$ 12,147,985
One-time base operating	-	29,558	14,683
Other operating	1,283,000	1,192,862	1,134,483
Recognition of expended deferred capital revenue	62,000	65,104	66,085
Other government transfers (Note 4)	427,000	429,665	438,127
Fees and charges	488,000	538,721	518,930
Ancillary operations	136,000	133,513	132,661
Donations, fundraising, and non-government contributions (Note 5)	149,000	167,192	160,076
Investment and other income (Note 6)	209,000	232,494	242,813
TOTAL REVENUE	15,240,000	15,274,704	14,855,843
Expenses:			
Community-based care	1,514,000	1,439,434	1,369,846
Home care	692,000	688,295	609,579
Continuing care	1,118,000	1,136,343	1,072,800
Population and public health	352,000	347,726	344,283
Ambulance services	527,000	528,045	503,274
Acute care	5,054,000	5,044,824	4,928,854
Diagnostic and therapeutic services	2,450,000	2,505,411	2,413,056
Education and research	317,000	316,285	299,179
Support services (Note 7)	2,210,000	2,259,472	2,222,553
Information technology	497,000	507,605	510,835
Administration (Note 8)	509,000	539,895	490,188
TOTAL EXPENSES (Schedules 1 and 3)	15,240,000	15,313,335	14,764,447
ANNUAL OPERATING (DEFICIT) SURPLUS	-	(38,631)	91,396
Accumulated surplus, beginning of year	1,317,000	1,317,055	1,225,659
Accumulated surplus, end of year (Note 19)	\$ 1,317,000	\$ 1,278,424	\$ 1,317,055

The accompanying notes and schedules are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31		
	2019 Actual	2018 Actual
Financial Assets:		
Cash	\$ 60,610	\$ 66,253
Investments (Note 10)	2,279,068	2,316,752
Accounts receivable (Note 11)	445,208	426,558
	2,784,886	2,809,563
Liabilities:		
Accounts payable and accrued liabilities (Note 12)	1,505,873	1,412,913
Employee future benefits (Note 13)	688,496	673,136
Unexpended deferred operating revenue (Note 14)	453,219	420,245
Unexpended deferred capital revenue (Note 15)	206,880	153,751
Debt (Note 17)	347,642	369,775
	3,202,110	3,029,820
NET DEBT	(417,224)	(220,257)
Non-Financial Assets:		
Tangible capital assets (Note 18)	8,381,004	8,031,307
Inventories for consumption	106,509	96,573
Prepaid expenses and other non-financial assets	167,722	165,721
	8,655,235	8,293,601
NET ASSETS BEFORE EXPENDED DEFERRED CAPITAL REVENUE	8,238,011	8,073,344
Expended deferred capital revenue (Note 16)	6,925,118	6,735,454
NET ASSETS	1,312,893	1,337,890
Net Assets is comprised of:		
Accumulated surplus (Note 19)	1,278,424	1,317,055
Accumulated remeasurement gains	34,469	20,835
	\$ 1,312,893	\$ 1,337,890

Contractual Obligations and Contingent Liabilities (Note 20)

The accompanying notes and schedules are part of these consolidated financial statements

Approved by the Board of Directors:

[Original Signed By]

Linda Hughes
Board Chair

[Original Signed By]

David Carpenter, FCPA, FCA
Audit & Risk Committee Chair

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT YEAR ENDED MARCH 31			
	2019		2018
	Budget (Note 3)	Actual	Actual
Annual operating (deficit) surplus	\$ -	\$ (38,631)	\$ 91,396
Effect of changes in tangible capital assets:			
Acquisition of tangible capital assets (Note 18)	(1,406,000)	(879,325)	(950,869)
Amortization and disposals of tangible capital assets (Note 18)	533,000	529,628	538,639
Effect of other changes:			
Net increase in expended deferred capital revenue	709,000	189,664	185,684
Net decrease (increase) in inventories for consumption	7,000	(9,936)	(4,691)
Net decrease (increase) in prepaid expenses and other non-financial assets	7,000	(2,001)	(37,663)
Net remeasurement (losses) gains for the year	(1,000)	13,634	(8,031)
Increase in net debt for the year	(151,000)	(196,967)	(185,535)
Net debt, beginning of year	(220,000)	(220,257)	(34,722)
Net debt, end of year	\$ (371,000)	\$ (417,224)	\$ (220,257)

The accompanying notes and schedules are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES YEAR ENDED MARCH 31			
	2019		2018
	Budget (Note 3)	Actual	Actual
Unrestricted unrealized gains (losses) attributable to:			
Derivatives	\$ -	\$ 253	\$ (40)
Portfolio Investments	(16,000)	17,751	8,730
Amounts reclassified to the Consolidated Statement of Operations:			
Portfolio Investments	15,000	(4,370)	(16,721)
Net remeasurement gains (losses) for the year	(1,000)	13,634	(8,031)
Accumulated remeasurement gains, beginning of year	21,000	20,835	28,866
Accumulated remeasurement gains, end of year (Note 10)	\$ 20,000	\$ 34,469	\$ 20,835

The accompanying notes and schedules are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS		
YEAR ENDED MARCH 31		
	2019	2018
	Actual	Actual
Operating transactions:		
Annual operating (deficit) surplus	\$ (38,631)	\$ 91,396
Non-cash items:		
Amortization and disposals of tangible capital assets	529,628	538,639
Recognition of expensed deferred capital revenue	(383,405)	(384,337)
Revenue recognized for acquisition of land	-	(6,286)
Decrease (increase) in:		
Accounts receivable related to operating transactions	48,303	2,116
Inventories for consumption	(9,936)	(4,691)
Prepaid expenses and other non-financial assets	(2,001)	(37,663)
Increase (decrease) in:		
Accounts payable and accrued liabilities related to operating transactions	76,173	61,996
Employee future benefits	15,360	20,099
Unexpended deferred operating revenue	(31,957)	(37,555)
Cash provided by operating transactions	203,534	243,714
Capital transactions:		
Acquisition of tangible capital assets	(593,957)	(612,961)
Increase in accounts payable and accrued liabilities related to capital transactions	19,732	142,554
Cash applied to capital transactions	(574,225)	(470,407)
Investing transactions:		
Purchase of investments	(3,161,266)	(3,168,353)
Proceeds on disposals of investments	3,220,278	3,109,935
Cash provided by (applied to) investing transactions	59,012	(58,418)
Financing transactions:		
Restricted capital contributions received	331,364	264,565
Unexpended deferred capital revenue returned	(250)	(7,381)
Proceeds from debt	-	67,300
Principal payments on debt	(22,133)	(17,612)
Payments on obligations under capital leases	(2,349)	(2,207)
Payment on life lease deposits	(596)	596
Cash provided by financing transactions	306,036	305,261
(Decrease) increase in cash	(5,643)	20,150
Cash, beginning of year	66,253	46,103
Cash, end of year	\$ 60,610	\$ 66,253

The accompanying notes and schedules are part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 1 Authority, Purpose and Operations

Alberta Health Services (AHS) was established under the *Regional Health Authorities Act* (Alberta), effective April 1, 2009, as a result of the merger of 12 formerly separate health entities in Alberta.

Pursuant to Section 5 of the *Regional Health Authorities Act* (Alberta), AHS is responsible in Alberta to:

- promote and protect the health of the population and work toward the prevention of disease and injury;
- assess on an ongoing basis the health needs of the population;
- determine priorities in the provision of health services and allocate resources accordingly;
- ensure that reasonable access to quality health services is provided and;
- promote the provision of health services in a manner that is responsive to the needs of individuals and communities and supports the integration of services and facilities.

Additionally, AHS is accountable to the Minister of Health (the Minister) for the delivery and operation of the public health system.

The AHS consolidated financial statements include the revenue and expenses associated with its responsibilities. These consolidated financial statements do not reflect the complete costs of provincial health care. For a complete picture of the costs of provincial health care, readers should consult the consolidated financial statements of the Government of Alberta (GOA).

Under the *Income Tax Act (Canada)*, AHS is a registered charity.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) and the financial directives issued by Alberta Health (AH).

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of the organizations controlled by AHS as noted below:

(i) Controlled Entities

AHS controls the following three entities:

- Alberta Public Laboratories Ltd. (APL) (formerly Calgary Lab Services Ltd.) - provides medical diagnostic services throughout Alberta. AHS owns 100% of the Class A voting shares.
- Capital Care Group Inc. (CCGI) - manages continuing care programs and facilities in the Edmonton area. AHS owns 100% of the Class A voting shares.
- Carewest - manages continuing care programs and facilities in the Calgary area. AHS owns 99% of the Class A voting shares and 1% of the Class A voting shares are held in trust for the benefit of AHS by the Chair of the Board of Directors.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

AHS has majority representation on, or the right to appoint, the governance boards indicating control of the following entities:

- Foundations:

Airdrie Health Foundation	Lacombe Health Trust
Alberta Cancer Foundation	Medicine Hat and District Health Foundation
American Friends of the Calgary Health Trust Foundation	Mental Health Foundation
Bassano and District Health Foundation	North County Health Foundation
Bow Island and District Health Foundation	Oyen and District Health Care Foundation
Brooks and District Health Foundation	Peace River and District Health Foundation
Calgary Health Trust	Ponoka and District Health Foundation
Canmore and Area Health Care Foundation	Rocky Mountain House & Area Health Services Foundation
Cardston and District Health Foundation	Stettler Health Services Foundation
Claresholm and District Health Foundation	Strathcona Community Hospital Foundation
Crowsnest Pass Health Foundation	Tofield and Area Health Services Foundation
David Thompson Health Trust (<i>inactive</i>)	Two Hills Health Centre Foundation
Fort Macleod and District Health Foundation	Vermillion and Region Health and Wellness Foundation (<i>inactive</i>)
Fort Saskatchewan Community Hospital Foundation	Viking Health Foundation
Grande Cache Hospital Foundation	Vulcan County Health and Wellness Foundation
Grimshaw/Berwyn and District Hospital Foundation	Windy Slopes Health Foundation
Jasper Health Care Foundation	
Lac La Biche Regional Health Foundation	

- Provincial Health Authorities of Alberta Liability and Property Insurance Plan (LPIP)
- Queen Elizabeth II Hospital Child Care Centre

All inter-entity accounts and transactions between these organizations and AHS are eliminated upon consolidation.

(ii) Government Partnerships

AHS proportionately consolidates its 50% interests in Primary Care Network (PCN) partnerships with physician groups, its 50% interest in the Northern Alberta Clinical Trials Centre (NACTRC) partnership with the University of Alberta, and its 33.33% interest in the Institute for Reconstructive Sciences in Medicine (iRSM) partnership with the University of Alberta and Covenant Health (Note 22).

AHS entered into local primary care initiative agreements to jointly manage and operate the delivery of primary care services, to achieve the PCN plan objectives, and to contract and hold property interests required in the delivery of PCN services.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

The following PCNs are included in these consolidated financial statements on a proportionate basis:

Alberta Heartland Primary Care Network	Lloydminster Primary Care Network
Aspen Primary Care Network	McLeod River Primary Care Network
Big Country Primary Care Network	Mosaic Primary Care Network
Bighorn Primary Care Network	Northwest Primary Care Network
Bonnyville Primary Care Network	Palliser Primary Care Network
Bow Valley Primary Care Network	Peace Region Primary Care Network
Calgary Foothills Primary Care Network	Peaks to Prairies Primary Care Network
Calgary Rural Primary Care Network	Provost Primary Care Network
Calgary West Central Primary Care Network	Red Deer Primary Care Network
Camrose Primary Care Network	Rocky Mountain House Primary Care Network
Chinook Primary Care Network	Saddle Hills Primary Care Network (formerly
Cold Lake Primary Care Network	Sexsmith / Spirit River Primary Care Network and
Drayton Valley Primary Care Network	West Peace Region Primary Care Network)
Edmonton North Primary Care Network	Sherwood Park/Strathcona County Primary Care
Edmonton Oliver Primary Care Network	Network
Edmonton Southside Primary Care Network	South Calgary Primary Care Network
Edmonton West Primary Care Network	St. Albert & Sturgeon Primary Care Network
Grande Prairie Primary Care Network	Wainwright Primary Care Network
Highland Primary Care Network	WestView Primary Care Network
Kalyna Country Primary Care Network	Wetaskiwin and Area Primary Care Network
Lakeland Primary Care Network	Wolf Creek Primary Care Network
Leduc Beaumont Devon Primary Care Network	Wood Buffalo Primary Care Network

All inter-entity accounts and transactions between these organizations and AHS are eliminated upon consolidation.

(iii) Trusts under Administration

These consolidated financial statements do not include trusts administered on behalf of others (Note 23). AHS provides services to certain entities not included in these consolidated financial statements.

(iv) Other

AHS is responsible for the delivery and operation of the public health system in Alberta (Note 1), and contracts with various voluntary and private health service providers to provide health services throughout the province. The largest of these service providers is Covenant Health, a denominational health care organization, providing a full spectrum of care. Covenant Health is an independent, separate legal entity with a separate Board of Directors and accordingly, these financial statements do not include their assets, liabilities or results of operations. However, the payments for contracts with health service providers such as Covenant Health are recorded as expenses in the statement of operations.

(b) Revenue Recognition

Revenue is recognized in the period in which the transactions or events that give rise to the revenue as described below occur. All revenue is recorded on an accrual basis, except when the accrual cannot be determined within a reasonable degree of certainty or when estimation is impracticable.

(i) Government Transfers

Transfers from AH, other GOA ministries and agencies, and other government entities are referred to as government transfers.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the eligibility criteria for the use of the transfer, or the stipulations together with AHS' actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, AHS complies with its communicated use of the transfer.

All other government transfers, without stipulations for the use of the transfer, are recorded as revenue when the transfer is authorized and AHS meets the eligibility criteria.

Deferred revenue consists of unexpended deferred operating revenue, unexpended deferred capital revenue, and expended deferred capital revenue. The term deferred revenue in these consolidated financial statements refers to the components of deferred revenue as described.

Unallocated costs, which excludes land and buildings, comprising of materials and services contributed by related parties in support of AHS' operations, are not recognized in these consolidated financial statements.

(ii) Donations, Fundraising, and Non-Government Contributions

Donations, fundraising, and non-government contributions are received from individuals, corporations, and other not-for-profit organizations. Donations, fundraising, and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations, fundraising, and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to AHS if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, fundraising, non-government contributions, and the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with AHS' actions and communications as to their use create a liability. These resources are recognized as revenue as the terms are met and, when applicable, AHS complies with its communicated use.

In-kind donations of services and materials from non-related parties are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist AHS, the value of their services is not recognized as revenue and expenses in the consolidated financial statements because fair value cannot be reasonably determined.

(iii) Transfers and Donations related to Land

Transfers and donations for the purchase of land are recognized as deferred revenue when received and as revenue when the land is purchased.

(iv) Fees and Charges, Ancillary Operations, and Other Income

Fees and charges, ancillary operations, and other income are recognized in the period that goods are delivered or services are provided. Amounts received for which goods or services have not been provided by year end are recorded as deferred revenue.

(v) Investment Income

Investment income includes dividend income, interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments exclusive of restricted transfers or donations are recognized in the Consolidated Statement of Remeasurement Gains and Losses until the related investments are sold. When realized, these gains or losses are recognized in the Consolidated Statement of Operations. Investment income and unrealized gains and losses from restricted transfers or donations are allocated to their respective balances according to the provisions within the individual agreements.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(c) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt servicing costs.

Expenses include grants and transfers under shared cost agreements. Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

(d) Financial Instruments

All of AHS' financial assets and liabilities are initially recorded at their fair value. The following table identifies AHS' financial assets and liabilities and identifies how they are subsequently measured:

Financial Assets and Liabilities	Subsequent Measurement and Recognition
Cash and investments	Measured at fair value with unrealized changes in fair values recognized in the Consolidated Statement of Remeasurement Gains and Losses or deferred revenue until realized, at which time the cumulative changes in fair value are recognized in the Consolidated Statement of Operations.
Accounts receivable, accrued vacation pay, accounts payable and accrued liabilities and debt	Measured at amortized cost.

PSAS requires investments in equity instruments quoted in an active market to be recorded under the fair value category and AHS may choose to record other financial assets under the fair value category if there is an investment strategy to evaluate the performance of a group of these financial assets on a fair value basis. AHS has elected to record its money market securities, fixed income securities, and certain other equity investments at fair value. The three levels of information that may be used to measure fair value are:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

AHS measures and recognizes embedded derivatives separately from the host contract when the economic characteristics and risk of the embedded derivative are not closely related to those of the host contract, when it meets the definition of a derivative and, when the entire contract is not measured at fair value.

Derivatives are recorded at fair value in the Consolidated Statement of Financial Position. Derivatives with a positive or negative fair value are recognized as increases or decreases to investments. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported as a realized loss on the Consolidated Statement of Operations.

Transaction costs associated with the acquisition and disposal of investments are expensed as incurred. Investment management fees are expensed as incurred. The purchase and sale of investments are accounted for using trade date accounting.

(e) Cash

Cash is comprised of cash on hand. Cash on hand is held for the purpose of meeting short-term commitments rather than for investment purposes.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(f) Inventories For Consumption**

Inventories for consumption or distribution at no charge are valued at lower of cost (defined as moving average cost) and replacement cost.

(g) Tangible Capital Assets

Tangible capital assets and work in progress are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead directly attributable to construction and development as well as interest costs that are directly attributable to the acquisition or construction of the asset. Costs incurred by Alberta Infrastructure (AI) to build tangible capital assets on behalf of AHS are recorded by AHS as work in progress as AI incurs costs.

Contributed tangible capital assets from non-related entities are recognized at their fair value at the date of the contribution when fair value can be reasonably determined. When AHS cannot determine the fair value, it records such contributions at nominal value.

The costs less residual values of tangible capital assets, excluding land, are amortized over their estimated useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Facilities and improvements	10-40 years
Equipment	3-20 years
Information systems	3-10 years
Building service equipment	5-40 years
Land improvements	5-40 years

Work in progress, which includes facility and improvement projects and development of information systems, is not amortized until after a project is substantially complete and the tangible capital assets are available for use.

Leases transferring substantially all benefits and risks of tangible capital asset ownership are classified as capital leases and reported as tangible capital assets. Capital leases and leasehold improvements are amortized over the term of the lease. Capital lease obligations associated with these capital leases are recorded at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.) and reported as obligations under capital leases. The discount rate used to determine the present value of the lease payments is the lower of AHS' rate for incremental borrowing and the interest rate implicit in the lease.

Tangible capital assets are written down when conditions indicate that they no longer contribute to AHS' ability to provide goods and services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for as expenses in the Consolidated Statement of Operations.

Works of art, historical treasures, and collections are not recognized in tangible capital assets.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(h) Employee Future Benefits****(i) Registered Benefit Pension Plans**

AHS participates in the following registered defined benefit pension plans: the Local Authorities Pension Plan (LAPP) and the Management Employees Pension Plan (MEPP). These multi-employer public sector defined benefit plans provide pensions for participants for each year of pensionable service based on the average salary of the highest five consecutive years, up to the average Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE), over the same five consecutive year period. Benefits for post-1991 service payable under these plans are limited by the *Income Tax Act* (Canada). Prior to March 1, 2019, the President of Alberta Treasury Board and Minister of Finance was the legal trustee and administrator for LAPP and MEPP. Although there has been no change in MEPP governance, effective March 1, 2019, LAPP Corporation became the legislated administrator and trustee of LAPP. As a participating government organization, AHS accounts for these plans on a defined contribution basis. Accordingly, the pension expense recorded for these plans in these consolidated financial statements is comprised of the employer contributions that AHS is required to pay for its employees during the fiscal year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

(ii) Other Defined Contribution Pension Plans

AHS sponsors Group Registered Retirement Savings Plans (GRRSPs) for certain employee groups. Under the GRRSPs, AHS matches a certain percentage of any contribution made by plan participants up to certain limits. AHS also sponsors a defined contribution pension plan for certain employee groups where the employee and employer each contribute specified percentages of pensionable earnings.

(iii) Supplemental Retirement Plan for Designated Employees (SERP)

The SERP covers certain employees and supplements the benefits under AHS' registered plans that are limited by the *Income Tax Act* (Canada). The SERP has been closed to new entrants since April 1, 2009. The SERP provides future pension benefits to participants based on years of service and earnings.

As required under the *Income Tax Act* (Canada), approximately half of the assets are held in a non-interest bearing Refundable Tax Account with the Canada Revenue Agency. The remaining assets of the SERP are invested in a combination of Canadian equities and Canadian fixed income securities.

The obligations and related costs of SERP benefits are determined annually through an actuarial valuation as at March 31 using the projected benefit method pro-rated on service. AHS uses a discount rate based on plan asset earnings to calculate the accrued benefit obligation.

The net SERP retirement benefit cost reported in these consolidated financial statements is comprised of the retirement benefits expense and the retirement benefits interest expense. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post-employment period. The key components of retirement benefits expense include the cost of any plan amendments including related net actuarial gains or losses incurred in the period, gains and losses from any plan settlements or curtailments incurred in the period, and amortization of actuarial gains and losses. Retirement benefit costs are not cash payments in the period but are the period expense for rights to future compensation. The retirement benefits interest expense is net of the interest cost on the accrued benefit obligation and the expected return on plan assets.

AHS amortizes actuarial gains and losses over the average remaining service life of the related employee group.

Prior period service costs arising from plan amendments are recognized in the period of the plan amendment. When an employee's accrued benefit obligation is fully discharged, all unrecognized amounts associated with that employee are fully recognized in the net retirement benefit cost in the following year.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(iv) Supplemental Pension Plan (SPP)**

Subsequent to April 1, 2009, staff that would have otherwise been eligible for SERP have been enrolled in a defined contribution SPP. The SPP supplements the benefits under AHS registered plans that are limited by the *Income Tax Act* (Canada). AHS contributes a percentage of an eligible employee's pensionable earnings, in excess of the limits of the *Income Tax Act* (Canada). The SPP provides participants with an account balance at retirement based on the contributions made to the plan and investment income earned on the contributions based on investment decisions made by the participant.

(v) Sick Leave Liability

Sick leave benefits accumulate with employees' service and are provided by AHS to certain employee groups of AHS, as defined by employment agreements, to cover illness related absences that are outside of short-term and long-term disability coverage. Benefit amounts are determined and accumulate with reference to employees' final earnings at the time they are paid out. The cost of the accumulating non-vesting sick leave benefits is expensed as the benefits are earned.

AHS accrues its liabilities for accumulating non-vesting sick leave benefits but does not record a liability for sick leave benefits that do not accumulate beyond the current reporting period as these are renewed annually.

The accumulating non-vesting sick leave liability is actuarially determined using the projected benefit method pro-rated for service and management's best estimates of expected discount rate, inflation, rate of compensation increase, termination and retirement rates, and mortality. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service.

Any resulting net actuarial gain (loss) is deferred and amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

(vi) Other Benefits

AHS provides its employees with basic life, accidental death and dismemberment, short-term disability, long-term disability, extended health, dental, and vision benefits through benefits carriers. AHS fully accrues its obligations for employee non-pension future benefits.

(i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) AHS is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

(j) Foreign Currency Translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Consolidated Statement of Financial Position date. Unrealized foreign exchange gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the Consolidated Statement of Operations, and the cumulative amount of remeasurement gains and losses are reversed in the Consolidated Statement of Remeasurement Gains and Losses.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(k) Internally Restricted Surplus for Future Purposes**

Certain amounts, as approved by the AHS Board, are set aside in accumulated surplus for use by AHS for future operating and capital purposes, to meet legislative insurance equity requirements and to recognize certain donor commitments by AHS' controlled foundations. Transfers to, or from, internally restricted surplus for future purposes are recorded to the respective surplus account when approved.

(l) Measurement Uncertainty

The consolidated financial statements, by their nature, contain estimates and are subject to measurement uncertainty. Measurement uncertainty exists when there is a difference between the recognized or disclosed amount and another reasonably possible amount. The amount recorded for amortization of tangible capital assets is based on the estimated useful life of the related tangible capital assets while the recognition of expended deferred capital revenue depends on when the terms for the use of the funding are met and, when applicable, AHS complies with its communicated use of the funding. The amounts recorded for employee future benefits are based on estimated future cash flows. The provision for unpaid claims, allowance for doubtful accounts and accrued liabilities are subject to significant management estimates and assumptions. The establishment of the provision for unpaid claims relies on the judgment and opinions of many individuals; historical precedent and trends; prevailing legal, economic, social, and regulatory trends; and expectation as to future developments. The process of determining the provision necessarily involves risks that the actual results will deviate perhaps materially from the best estimates made. These estimates and assumptions are reviewed at least annually. Actual results could differ from the estimates determined by management in these consolidated financial statements, and these differences, which may be material, could require adjustment in subsequent reporting periods.

(m) Changes in Accounting Policy

AHS has prospectively adopted the following accounting standard as of April 1, 2018:

PS 3430 – Restructuring Transactions

PS 3430 provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related programs or operating responsibilities. The adoption of this standard did not have any impact on AHS' consolidated financial statements.

(n) Future Accounting Changes

The following accounting standards are applicable in future years:

- **PS 3280 – Asset Retirement Obligations (effective April 1, 2021)**
PS 3280 provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3400 – Revenue (effective April 1, 2022)**
PS 3400 provides guidance on how to account for and report revenue.

AHS is currently assessing what the impact of these new standards will have on future consolidated financial statements.

Note 3 Budget

The AHS Health Plan and Business Plan, which included the 2018-19 annual budget, was approved by the AHS Board on May 31, 2018 and by the Minister of Health on October 3, 2018.

Note 4 Other Government Transfers

	Budget	2019	2018
Unrestricted operating	\$ 31,000	\$ 32,790	\$ 38,571
Restricted operating (Note 14)	115,000	114,269	112,460
Recognition of expended deferred capital revenue (Note 16)	281,000	282,606	287,096
	\$ 427,000	\$ 429,665	\$ 438,127

Other government transfers include \$420,622 (2018 – \$429,855) transferred from the GOA, \$9,043 (2018 – \$8,272) from government entities outside the GOA, and exclude amounts from AH as these amounts are separately disclosed on the Consolidated Statement of Operations.

Note 5 Donations, Fundraising, and Non-Government Contributions

	Budget	2019	2018
Unrestricted operating	\$ 3,000	\$ 4,073	\$ 2,281
Restricted operating (Note 14)	119,000	126,961	126,311
Recognition of expended deferred capital revenue (Note 16)	27,000	35,695	31,156
Endowment contributions and reinvested income	-	463	328
	\$ 149,000	\$ 167,192	\$ 160,076

Note 6 Investment and Other Income

	Budget	2019	2018
Investment income	\$ 68,000	\$ 68,521	\$ 69,215
Other income:			
GOA (Note 21)	31,000	30,847	32,004
AH	20,000	12,698	16,361
Other	90,000	120,428	125,233
	\$ 209,000	\$ 232,494	\$ 242,813

Note 7 Support Services

	Budget	2019	2018
Facilities operations	\$ 899,000	\$ 893,598	\$ 872,817
Patient: health records, food services, and transportation	426,000	424,288	408,825
Materials management	182,000	174,916	176,438
Housekeeping, laundry, and linen	218,000	217,296	211,762
Support services expense of full-spectrum contracted health service providers	152,000	154,714	151,616
Ancillary operations	113,000	103,122	110,046
Fundraising expenses and grants awarded	54,000	45,689	46,279
Other	166,000	245,849	244,770
	\$ 2,210,000	\$ 2,259,472	\$ 2,222,553

Note 8 Administration

	Budget	2019	2018
General administration	\$ 265,000	\$ 286,312	\$ 235,338
Human resources	97,000	116,116	112,776
Finance	80,000	73,075	76,627
Communications	28,000	24,415	24,737
Administration expense of full-spectrum contracted health service providers	39,000	39,977	40,710
	\$ 509,000	\$ 539,895	\$ 490,188

Note 9 Financial Risk Management

AHS is exposed to a variety of financial risks associated with its financial instruments. These financial risks include market risk, credit risk, and liquidity risk.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of three types of risk: price risk, interest rate risk, and foreign currency risk.

In order to earn financial returns at an acceptable level of market risk, the consolidated investment portfolio is governed by an investment bylaw and policies with clearly established target asset mixes. The target assets range between 0% and 100% for cash and money market securities, 0% to 80% for fixed income securities and 0% to 70% for equity holdings.

Risk is reduced through asset class diversification, diversification within each asset class, and portfolio quality constraints governing the quality of portfolio holdings.

AHS assesses the sensitivity of its portfolio to market risk based on historical volatility of equity and fixed income markets. Volatility is determined using a ten year average based on fixed income and equity market fluctuations and is applied to the total portfolio. Based on the volatility average of 2.26% (2018 – 2.85%) increase or decrease, with all other variables held constant, the portfolio could expect an increase or decrease in accumulated remeasurement gains and losses and unrealized net gains and losses attributable to deferred revenue and endowments of \$38,130 (2018 – \$50,819).

(i) Price Risk

Price risk relates to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. AHS is exposed to price risk associated with the underlying equity investments held in pooled funds. If equity market indices (S&P/TSX, S&P1500 and MSCI ACWI and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to AHS would be approximately \$50,535 or 2.22% of total investments (March 31, 2018 – \$53,428 or 2.31%).

(ii) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in market interest rates. AHS manages the interest rate risk exposure of its fixed income investments by management of average duration and laddered maturity dates.

AHS is exposed to interest rate risk through its investments in fixed income securities with both fixed and floating interest rates. AHS has fixed interest rate loans for all debt, thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt. The fair value of fixed rate debt fluctuates with changes in market interest rates but the related future cash flows will not change.

In general, investment returns for bonds and mortgage funds are sensitive to changes in the level of interest rates, with longer term interest bearing securities being more sensitive to interest rate changes than shorter term bonds.

A 1% change in market yield relating to fixed income securities would have increased or decreased fair value by approximately \$78,148 (March 31, 2018 – \$71,683).

Note 9 Financial Risk Management (continued)

Fixed income securities include bonds and money market securities. The fixed income securities have the following average maturity structure ranging from 2019 and 2067:

	2019	2018
0 – 5 years	77%	80%
6 – 10 years	8%	8%
Over 10 years	15%	12%

Asset Class	Effective Market Yield			Average Effective Market Yield
	< 1 year	1-5 years	> 5 years	
Interest bearing securities	2.44%	2.05%	2.92%	2.47%

(iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fair value of cash and investments denominated in foreign currencies is translated into Canadian dollars on a daily basis using the reporting date exchange rate. Both the realized gain/loss and remeasurement gain/loss comprise actual gains or losses on the underlying investment as well as changes in foreign exchange rates at the time of the valuation. AHS is exposed to foreign exchange fluctuations on its cash denominated in foreign currencies. AHS is also exposed to changes in the valuation on its global equity pooled funds attributable to fluctuations in foreign currency.

Foreign currency risk is managed by the investment policies which limit non-Canadian equities to a maximum of 10% to 45% of the total investment portfolio, depending on the policy. At March 31, 2019, investments in non-Canadian equities represented 14.5% (March 31, 2018 – 16.2%) of total portfolio investments.

Foreign exchange fluctuations on cash balances are mitigated by forward contracts and holding minimal foreign currency cash balances. At March 31, 2019, AHS held US dollar forward contracts with ATB Financial to manage currency fluctuations relating to its US dollar accounts payable requirements. As at March 31, 2019, AHS held derivatives in the form of forward contracts for future settlement of \$18,000 (2018 – \$24,000). The fair value of these forward contracts as at March 31, 2019 was \$714 (2018 – \$461) and is included in investments (Note 10).

(b) Credit Risk

Credit risk is the risk of loss arising from the failure of a counterparty to fully honour its contractual obligations. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies. The investment policies restrict the types and proportions of eligible investments, thus mitigating AHS' exposure to credit risk.

Accounts receivable primarily consists of amounts receivable from AH, other Alberta government reporting entities, patients, other provinces and territories, Workers' Compensation Board, and the federal government. AHS periodically reviews the collectability of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts.

Under the investment bylaw and policies governing the consolidated portfolio, money market securities are limited to a rating of R1 or equivalent or higher, and no more than 10% may be invested in any one issuer unless guaranteed by the Government of Canada or a Canadian province. Investments in corporate bonds are limited to BBB or equivalent rated bonds or higher and no more than 40% of the total fixed income securities. Investments in debt and equity of any one issuer are limited to 5% of the issuer's total debt and equity. AHS holds unrated mortgage fund investments. Short selling is not permitted.

Note 9 Financial Risk Management (continued)

The following table summarizes AHS' investment in debt securities by counterparty credit rating at March 31, 2019. The unrated securities consist of low volatility pooled mortgages that are not rated on an active market.

Credit Rating	2019	2018
Investment Grade (AAA to BBB)	87%	89%
Unrated	13%	11%
	100%	100%

(c) Liquidity Risk

Liquidity risk is the risk that AHS will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. Liquidity requirements of AHS are met through funding provided in advance by AH, income generated from investments, and by investing in liquid assets, such as money market investments, equities, and bonds traded in an active market that are easily sold and converted to cash.

Note 10 Investments

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Cash held for investing purposes	\$ 110,887	\$ 110,887	\$ 118,012	\$ 118,012
Interest bearing securities:				
Money market securities	177,199	177,199	124,320	124,320
Fixed income securities	1,485,637	1,467,856	1,540,138	1,549,534
	1,662,836	1,645,055	1,664,458	1,673,854
Equities:				
Canadian equity investments	45,866	38,488	24,350	17,477
Canadian equity funds	129,525	119,364	133,680	125,451
Global equity funds	329,954	288,454	376,252	326,465
	505,345	446,306	534,282	469,393
	\$ 2,279,068	\$ 2,202,248	\$ 2,316,752	\$ 2,261,259

	2019	2018
Items at Fair Value		
Portfolio investments designated to the FV category	\$ 2,232,488	\$ 2,291,941
Portfolio investments in equity instruments that are quoted in an active market	45,866	24,350
Derivatives	714	461
	\$ 2,279,068	\$ 2,316,752

Included in investments is \$212,323 (March 31, 2018 – \$173,725) that is restricted for use as per the requirements in Sections 99 and 100 of the *Insurance Act* of Alberta. Endowments included in investments amount to \$75,157 (March 31, 2018 – \$74,694).

The following are the total net remeasurement gains on investments:

	2019	2018
Accumulated remeasurement gains	\$ 34,469	\$ 20,835
Restricted unrealized net gains attributable to unexpended deferred operating revenue and endowments (Note 14(b))	42,351	34,658
	\$ 76,820	\$ 55,493

Note 10 Investments (continued)**Fair Value Hierarchy**

	2019			
	Level 1	Level 2	Level 3	Total
Cash held for investing purposes	\$ 110,887	\$ -	\$ -	\$ 110,887
Interest bearing securities:				
Money market securities	-	177,199	-	177,199
Fixed income securities	-	1,320,899	164,738	1,485,637
Equities:				
Canadian equity investments	45,866	129,525	-	175,391
Global equity funds	-	329,954	-	329,954
	\$ 156,753	\$ 1,957,577	\$ 164,738	\$ 2,279,068
Percent of total	7%	86%	7%	100%

	2018			
	Level 1	Level 2	Level 3	Total
Cash held for investing purposes	\$ 118,012	\$ -	\$ -	\$ 118,012
Interest bearing securities:				
Money market securities	-	124,320	-	124,320
Fixed income securities	-	1,393,124	147,014	1,540,138
Equities:				
Canadian equity investments	24,350	133,739	-	158,089
Global equity funds	-	376,193	-	376,193
	\$ 142,361	\$ 2,027,377	\$ 147,014	\$ 2,316,752
Percent of total	6%	88%	6%	100%

Note 11 Accounts Receivable

	2019			2018
	Gross	Allowance for Doubtful Accounts	Net	Net
Patient accounts receivable	\$ 127,952	28,440	99,512	\$ 105,364
AH operating transfers receivable	36,768	-	36,768	81,104
AH capital transfers receivable	34,356	-	34,356	38,766
Other operating transfers receivable	14,824	-	14,824	30,025
Other capital transfers receivable	157,776	-	157,776	86,413
Other accounts receivable	102,498	526	101,972	84,886
	\$ 474,174	28,966	445,208	\$ 426,558

Accounts receivable are unsecured and non-interest bearing. At March 31, 2018, the total allowance for doubtful accounts was \$25,986.

Note 12 Accounts Payable and Accrued Liabilities

	2019	2018
Payroll remittances payable and related accrued liabilities	\$ 543,427	\$ 522,604
Trade accounts payable and accrued liabilities	608,740	572,282
Provision for unpaid claims ^(a)	202,511	157,583
Obligations under capital leases ^(b)	97,053	112,675
Other liabilities	54,142	47,769
	\$ 1,505,873	\$ 1,412,913

Accounts payable and accrued liabilities includes payables related to the purchase of tangible capital assets of \$284,970 (2018 – \$268,183).

- (a) Provision for Unpaid Claims is an estimate of liability claims within AHS. It is influenced by factors such as historical trends involving claim payment patterns, pending levels of unpaid claims, claims severity and claim frequency patterns.

The provision has been estimated using the discounted value of claim liabilities using a discount rate of 2.45% (2018 – 2.35%) plus a provision for adverse deviation, based on actuarial estimates.

- (b) Obligations under capital leases include a site lease with the University of Calgary, a site lease for the Northern Communications Centre in Peace River, vehicle leases and obligations related to a clinical information system.

The obligations expire between 2020 and 2036 and have an implicit interest rate payable ranging from 2.37% to 7.04% (2018 – 2.42% to 6.97%).

AHS is committed to making payments for obligations under capital leases as follows:

Year ended March 31	Minimum Contract Payments
2020	\$ 25,758
2021	24,444
2022	23,521
2023	11,504
2024	2,867
Thereafter	22,156
	110,250
Less: interest	(13,197)
	\$ 97,053

(c) Liability for Contaminated Sites

At March 31, 2019, AHS has not identified or accepted any liability for contaminated sites (2018 – \$nil).

Note 13 Employee Future Benefits

	2019	2018
Accrued vacation pay	\$ 566,415	\$ 553,875
Accumulating non-vesting sick leave liability ^(a)	122,081	119,261
Registered defined benefit pension plans ^{(b) (c)}	-	-
	\$ 688,496	\$ 673,136

(a) Accumulating Non-Vesting Sick Leave Liability

Sick leave benefits are paid by AHS; there are no employee contributions and no assets set aside to support the obligation.

The AHS sick leave liability is based on an actuarial valuation as at March 31, 2015 and extrapolated to March 31, 2019.

The following table summarizes the accumulating non-vesting sick leave liability.

	2019	2018
Change in accrued benefit obligation and funded status		
Accrued benefit obligation and funded status, beginning of year	\$ 99,998	\$ 115,177
Current service cost	8,498	10,595
Interest cost	3,517	3,779
Benefits paid	(8,156)	(8,870)
Actuarial gain	-	(20,683)
Accrued benefit obligation and funded status, end of year	\$ 103,857	\$ 99,998
Reconciliation to accrued benefit liability		
Funded status – deficit	\$ 103,857	\$ 99,998
Unamortized net actuarial gain	18,224	19,263
Accrued benefit liability	\$ 122,081	\$ 119,261
Components of expense		
Current service cost	\$ 8,498	\$ 10,595
Interest cost	3,517	3,779
Amortization of net actuarial gain	(1,039)	1,267
Net expense	\$ 10,976	\$ 15,641
Assumptions		
Discount rate – beginning of year	3.38%	2.02%
Discount rate – end of year	3.51%	3.38%
Rate of compensation increase per year	2018-2019	2017-2018
	0.75%	0.75%
	2019-2020	2018-2019
	0.75%	0.75%
	Thereafter	Thereafter
	2.75%	2.75%

(b) Local Authorities Pension Plan (LAPP)**(i) AHS Participation in the LAPP**

The majority of AHS employees participate in the LAPP. AHS is not responsible for future funding of the plan deficit other than through contribution increases. As AHS is exposed to the risk of contribution rate increases, the following disclosure is provided to explain this risk.

The LAPP provides for a pension of 1.4% for each year of pensionable service based on the average salary of the highest five consecutive years up to the average Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE), over the same five consecutive year period and 2.0% on the excess, subject to the maximum pension benefit limit allowed under the *Income Tax Act* (Canada). The maximum pensionable service allowable under the plan is 35 years.

Note 13 Employee Future Benefits (continued)**(ii) LAPP Surplus**

LAPP carried out an actuarial valuation as at December 31, 2016 and these results were then extrapolated to December 31, 2018. The LAPP's December 31, 2018 net assets available for benefits divided by the LAPP's pension obligation shows that the LAPP is 108% (2017 – 113%) funded.

	December 31, 2018	December 31, 2017
LAPP net assets available for benefits	\$ 44,468,547	\$ 42,728,515
LAPP pension obligation	40,999,200	37,893,000
LAPP surplus	\$ 3,469,347	\$ 4,835,515

The 2018 and 2019 LAPP contribution rates are as follows:

Calendar 2019		Calendar 2018	
Employer	Employees	Employer	Employees
9.39% of pensionable earnings up to the YMPE and 13.84% of the excess	8.39% of pensionable earnings up to the YMPE and 12.84% of the excess	10.39% of pensionable earnings up to the YMPE and 14.84% of the excess	9.39% of pensionable earnings up to the YMPE and 13.84% of the excess

(c) Pension Expense

	2019	2018
Local Authorities Pension Plan	\$ 556,609	\$ 587,007
Defined contribution pension plans and group RRSPs	48,408	49,021
Supplemental Pension Plan	2,265	2,303
Supplemental Executive Retirement Plans	812	(1,826)
Management Employees Pension Plan	378	393
	\$ 608,472	\$ 636,898

Note 14 Unexpended Deferred Operating Revenue

(a) Changes in the unexpended deferred operating revenue balance are as follows:

	2019				2018
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 137,662	\$ 26,371	\$ 256,212	\$ 420,245	\$ 411,079
Received or receivable during the year, net of repayments	1,206,568	59,771	148,795	1,415,134	1,349,839
Restricted investment income	1,058	1,611	6,796	9,465	7,176
Transferred from unexpended deferred capital revenue	3,407	53,127	703	57,237	44,874
Recognized as revenue	(1,192,862)	(114,269)	(126,961)	(1,434,092)	(1,373,254)
Miscellaneous other revenue recognized	(1,271)	(17)	(21,175)	(22,463)	(21,316)
	154,562	26,594	264,370	445,526	418,398
Changes in unrealized net gains attributable to portfolio investments related to endowments and unexpended deferred operating revenue	740	2,985	3,968	7,693	1,847
Balance, end of year	\$ 155,302	\$ 29,579	\$ 268,338	\$ 453,219	\$ 420,245

⁽ⁱ⁾ The balance at March 31, 2019 for other government includes \$506 of unexpended deferred operating revenue received from government entities outside the GOA (March 31, 2018 – \$506). The remaining balance in other government all relates to the GOA, see Note 21.

(b) The unexpended deferred operating revenue balance at the end of the year is externally restricted for the following purposes:

	2019				2018
	AH	Other Government	Donors and Non-Government	Total	Total
Research and education	\$ 23,478	\$ 1,554	\$ 157,731	\$ 182,763	\$ 171,295
Physician revenue and alternate relationship plans	36,724	346	-	37,070	39,658
Primary Care Networks	24,354	-	-	24,354	27,332
Long term care partnerships	-	18,329	-	18,329	16,735
Promotion, prevention and community	13,354	1,665	758	15,777	16,373
Addiction and mental health	31,129	-	539	31,668	16,252
Cancer prevention, screening and treatment	5,863	-	1,096	6,959	14,198
Administration and support services	2,497	1,268	54,500	58,265	55,090
Others less than \$10,000	16,787	3,432	15,464	35,683	28,654
	154,186	26,594	230,088	410,868	385,587
Unrealized net gain attributable to portfolio investments related to endowments and unexpended deferred operating revenue (Note 10)	1,116	2,985	38,250	42,351	34,658
	\$ 155,302	\$ 29,579	\$ 268,338	\$ 453,219	\$ 420,245

Note 15 Unexpended Deferred Capital Revenue

(a) Changes in the unexpended deferred capital revenue balance are as follows:

	2019				2018
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 48,336	\$ 8,858	\$ 96,557	\$ 153,751	\$ 137,806
Received or receivable during the year	141,144	169,246	87,927	398,317	306,947
Other transfers	(18)	18	-	-	-
Unexpended deferred capital revenue returned	(242)	-	(8)	(250)	(7,381)
Transfer to expended deferred capital revenue	(131,951)	(118,822)	(36,928)	(287,701)	(238,399)
Transferred to unexpended deferred operating revenue ⁽ⁱⁱ⁾	(3,407)	(53,127)	(703)	(57,237)	(44,874)
	53,862	6,173	146,845	206,880	154,099
Changes in unrealized net gain on portfolio investments related to unexpended deferred capital revenue	-	-	-	-	(348)
Balance, end of year	\$ 53,862	\$ 6,173	\$ 146,845	\$ 206,880	\$ 153,751

⁽ⁱ⁾ The balance at March 31, 2019 for other government all relates to the GOA, see Note 21.⁽ⁱⁱ⁾ The transfer mainly comprises restricted funding related to capital expenditures that do not meet AHS' capitalization criteria.

(b) The unexpended deferred capital revenue balance at the end of the year is externally restricted for the following purposes:

	2019	2018
AH		
Information systems	\$ 16,712	\$ 42,132
Medical Equipment Replacement Upgrade Program	2	147
Diagnostic Equipment	19,585	-
Other equipment	17,563	6,057
Total AH	53,862	48,336
Other government		
Facilities and improvements	6,173	8,858
Total other government	6,173	8,858
Donors and non-government		
Equipment	138,334	92,626
Facilities and improvements	8,511	3,931
Total donors and non-government	146,845	96,557
	\$ 206,880	\$ 153,751

Note 16 Expended Deferred Capital Revenue

Changes in the expended deferred capital revenue balance are as follows:

	2019				2018
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 273,582	\$ 6,270,765	\$ 191,107	\$ 6,735,454	\$ 6,549,770
Transferred from unexpended deferred capital revenue	131,951	118,822	36,928	287,701	238,399
Contributed tangible capital assets	-	285,322	46	285,368	331,622
Less: amounts recognized as revenue	(65,104)	(282,606)	(35,695)	(383,405)	(384,337)
Balance, end of year	\$ 340,429	\$ 6,392,303	\$ 192,386	\$ 6,925,118	\$ 6,735,454

⁽ⁱ⁾ The balance at March 31, 2019 for other government includes \$36 of expended deferred capital revenue received from government entities outside the GOA (March 31, 2018 – \$52). The remaining balance in other government all relates to the GOA, see Note 21.

Note 17 Debt

	2019	2018
Debentures payable ^(a) :		
Parkade loan #1	\$ 26,500	\$ 29,424
Parkade loan #2	25,522	27,951
Parkade loan #3	34,048	36,630
Parkade loan #4	132,577	140,098
Parkade loan #5	32,200	33,938
Parkade loan #6	22,557	23,505
Parkade loan #7	49,516	51,500
Energy savings initiative loan	24,089	25,800
Other	633	929
	347,642	369,775

- (a) AHS issued debentures to Alberta Capital Financing Authority (ACFA), a related party, to finance the construction of parkades. AHS has pledged revenue derived directly or indirectly from the operations of all parking facilities being built, renovated, owned, and operated by AHS as security for these debentures.

AHS issued a debenture to ACFA relating to an energy savings initiative. AHS has pledged the mortgage on the Royal Alexandra Lands and Alberta Hospital Lands as security for this debenture.

AHS is in compliance with all performance requirements of its debenture loans. The maturity dates and interest rates for the debentures are as follows:

	Maturity Date	Fixed Interest Rate
Parkade loan #1	September 2026	4.4025%
Parkade loan #2	September 2027	4.3870%
Parkade loan #3	March 2029	4.9150%
Parkade loan #4	September 2031	4.9250%
Parkade loan #5	June 2032	4.2280%
Parkade loan #6	December 2035	3.6090%
Parkade loan #7	March 2038	2.6400%
Energy savings initiative loan	December 2030	2.4160%
Other	March 2021	4.6000%

Note 17 Debt (continued)

- (b) At March 31, 2019, AHS had entered into an agreement to borrow \$157,000 from ACFA. The proceeds will be received by AHS in December 2019 for the construction of the Calgary Cancer Center parkade. The loan matures March 2059 and has a fixed interest rate of 3.6%. Semi-annual principal and interest payments of \$3,719 will commence June 2020. Commitments related to this agreement have been included in the table below.

AHS is committed to making payments as follows:

Year ended March 31	Debentures Payable and Other Loans Payable	
	Principal Payments	
2020	\$	23,091
2021		25,893
2022		26,666
2023		27,810
2024		29,008
Thereafter		372,174
	\$	504,642

During the year, the total interest related to debt was \$15,199 (2018 – \$14,551).

As at March 31, 2019, AHS holds a \$220,000 (March 31, 2018 - \$220,000) revolving demand facility with a Canadian chartered bank which may be used for operating purposes. Draws on the facility bear interest at the bank's prime rate less 0.50% per annum. As at March 31, 2019, AHS has \$nil (March 31, 2018 - \$nil) draws against this facility.

AHS also has access to a \$33,000 (March 31, 2018 – \$33,000) revolving demand letter of credit facility which may be used to secure AHS' obligations to third parties. At March 31, 2019, AHS has \$4,419 (March 31, 2018 – \$4,790) in a letter of credit outstanding against this facility. AHS is in compliance with performance requirements relating to this letter of credit.

Note 18 Tangible Capital Assets

Cost	2018	Additions ^(a)	Transfers	Disposals/write-downs	2019
Facilities and improvements	\$ 9,300,463	\$ -	\$ 108,258	\$ (7,331)	\$ 9,401,390
Work in progress	1,179,069	692,879	(246,007)	-	1,625,941
Equipment ^(b)	2,512,888	164,704	(923)	(115,513)	2,561,156
Information systems	1,438,547	21,742	46,064	(31,550)	1,474,803
Building service equipment	648,352	-	81,747	(555)	729,544
Land ^(c)	116,875	-	-	(52)	116,823
Leased facilities and improvements	229,065	-	809	-	229,874
Land improvements	84,197	-	10,052	(61)	94,188
	\$ 15,509,456	\$ 879,325	\$ -	\$ (155,062)	\$ 16,233,719

Accumulated Amortization	2018	Amortization Expense	Effect of Transfers	Disposals/write-downs	2019
Facilities and improvements	\$ 3,666,479	\$ 255,001	\$ -	\$ (6,305)	\$ 3,915,175
Work in progress	-	-	-	-	-
Equipment ^(b)	1,898,695	148,701	-	(113,863)	1,933,533
Information systems	1,277,120	75,320	-	(31,546)	1,320,894
Building service equipment	398,200	36,884	-	(553)	434,531
Land ^(c)	-	-	-	-	-
Leased facilities and improvements	172,370	7,361	-	-	179,731
Land improvements	65,285	3,627	-	(61)	68,851
	\$ 7,478,149	\$ 526,894	\$ -	\$ (152,328)	\$ 7,852,715

	Net Book Value	
	2019	2018
Facilities and improvements	\$ 5,486,215	\$ 5,633,984
Work in progress	1,625,941	1,179,069
Equipment ^(b)	627,623	614,193
Information systems	153,909	161,427
Building service equipment	295,013	250,152
Land ^(c)	116,823	116,875
Leased facilities and improvements	50,143	56,695
Land improvements	25,337	18,912
	\$ 8,381,004	\$ 8,031,307

Note 18 Tangible Capital Assets (continued)

Cost	2017	Additions ^(a)	Transfers out of Work in Progress	Disposals	2018
Facilities and improvements	\$ 8,996,755	\$ 3,646	\$ 304,041	\$ (3,979)	\$ 9,300,463
Work in progress	914,106	681,588	(416,625)	-	1,179,069
Equipment ^(b)	2,302,819	248,781	1,640	(40,352)	2,512,888
Information systems	1,362,656	10,568	68,023	(2,700)	1,438,547
Building service equipment	611,021	-	37,391	(60)	648,352
Land ^(c)	110,589	6,286	-	-	116,875
Leased facilities and improvements	224,968	-	4,097	-	229,065
Land improvements	82,764	-	1,433	-	84,197
	\$ 14,605,678	\$ 950,869	\$ -	\$ (47,091)	\$ 15,509,456

Accumulated Amortization	2017	Amortization Expense	Effect of Transfers	Disposals	2018
Facilities and improvements	\$ 3,412,872	\$ 257,586	\$ -	\$ (3,979)	\$ 3,666,479
Work in progress	-	-	-	-	-
Equipment ^(b)	1,802,535	136,123	-	(39,963)	1,898,695
Information systems	1,180,818	99,000	-	(2,698)	1,277,120
Building service equipment	365,016	33,244	-	(60)	398,200
Land ^(c)	-	-	-	-	-
Leased facilities and improvements	162,322	10,048	-	-	172,370
Land improvements	63,038	2,247	-	-	65,285
	\$ 6,986,601	\$ 538,248	\$ -	\$ (46,700)	\$ 7,478,149

	Net Book Value	
	2018	2017
Facilities and improvements	\$ 5,633,984	\$ 5,583,883
Work in progress	1,179,069	914,106
Equipment ^(b)	614,193	500,284
Information systems	161,427	181,838
Building service equipment	250,152	246,005
Land ^(c)	116,875	110,589
Leased facilities and improvements	56,695	62,646
Land improvements	18,912	19,726
	\$ 8,031,307	\$ 7,619,077

(a) Contributed Tangible Capital Assets

Additions include total contributed tangible capital assets of \$285,368 (2018 – \$337,908) consisting of \$285,322 from AI (2018 – \$337,837), of which \$nil (2018 - \$6,286) was related to the transferred land and \$285,322 (2018- \$331,551) was related to other tangible capital assets. AHS also received \$46 from other sources (2018 – \$71).

(b) Leased Equipment

Equipment includes tangible capital assets acquired through capital leases at a cost of \$17,240 (2018 – \$13,352) with accumulated amortization of \$12,119 (March 31, 2018 – \$11,637). For the year ended March 31, 2019, leased equipment included a net increase of \$4,363 related to vehicles under capital leases (2018 – net increase of \$494).

Note 18 Tangible Capital Assets (continued)**(c) Leased Land**

Land at the following sites has been leased to AHS at nominal values:

Site	Leased from	Lease Expiry
Cross Cancer Institute Parkade	University of Alberta	July 2019
Evansburg Community Health Centre	Yellowhead County	April 2031
Myrnam Land	Eagle Hill Foundation	May 2038
Two Hills Helipad	Stella Stefiuk	August 2041
McConnell Place North	City of Edmonton	September 2044
Northeast Community Health Centre	City of Edmonton	February 2047
Foothills Medical Centre Parkade	University of Calgary	July 2054
Alberta Children's Hospital	University of Calgary	December 2103

Note 19 Accumulated Surplus

Accumulated surplus is comprised of the following:

	2019					2018
	Invested in Tangible Capital Assets ^(a)	Endowments ^(b)	Internally Restricted Surplus for Future Purposes ^(c)	Unrestricted Surplus ^(d)	Total	Total
Balance, beginning of year	\$ 817,160	\$ 74,694	\$ 237,176	\$ 188,025	\$ 1,317,055	\$ 1,225,659
Annual operating (deficit) surplus	-	-	-	(38,631)	(38,631)	91,396
Tangible capital assets acquired with internal funds	244,268	-	(44,482)	(199,786)	-	-
Amortization of internally funded tangible capital assets	(146,223)	-	-	146,223	-	-
Principal payments on debt	22,133	-	-	(22,133)	-	-
Payments on obligations under capital leases	2,349	-	-	(2,349)	-	-
Payment on life lease deposits	596	-	-	(596)	-	-
Transfer of internally restricted surplus	-	-	24,532	(24,532)	-	-
Transfer of endowment contributions	-	463	-	(463)	-	-
Balance, end of year	\$ 940,283	\$ 75,157	\$ 217,226	\$ 45,758	\$ 1,278,424	\$ 1,317,055

(a) Invested in Tangible Capital Assets

The accumulated surplus invested in tangible capital assets represents the net book value of tangible capital assets that have previously been purchased with AHS' unrestricted surplus. AHS has no plans to monetize these assets to cover future operations

Note 19 Accumulated Surplus (continued)**(b) Endowments**

Endowments represent the portion of accumulated surplus that is restricted and must be maintained in perpetuity. Transfers of endowment contributions from unrestricted surplus include \$463 (2018 - \$328) of contributions and reinvested income received in the year (Note 5) offset by other transfers of \$nil (2018 - \$344).

(c) Internally Restricted Surplus for Future Purposes

The Board has approved the restriction of accumulated surplus for future purposes as follows:

	2019	2018
Ancillary services ⁽ⁱ⁾	\$ 112,508	\$ 124,525
Insurance equity requirements ⁽ⁱⁱ⁾	21,568	34,835
Foundations ⁽ⁱⁱⁱ⁾	42,816	41,395
Other ^(iv)	40,334	36,421
Internally restricted surplus for future purposes	\$ 217,226	\$ 237,176

(i) Restriction of ancillary operation surpluses from parking, retail food services, and controlled entities.

(ii) Restriction of surplus related to equity of the LPIP.

(iii) Restriction of surplus related to AHS' Controlled Foundations.

(iv) Restriction of surplus to address funding of expenses for certain initiatives spanning multiple fiscal years.

(d) Unrestricted Surplus

Unrestricted surplus represents the portion of accumulated surplus that has not been internally restricted for future purposes, invested in tangible capital assets, or endowments.

Note 20 Contractual Obligations and Contingent Liabilities**(a) Leases**

AHS is contractually committed to future operating lease payments as follows:

Year ended March 31	Total Lease Payments
2020	\$ 61,390
2021	54,899
2022	51,788
2023	45,550
2024	36,295
Thereafter	103,790
	\$ 353,712

(b) Contingent Liabilities

AHS is subject to legal claims during its normal course of business. AHS records a liability when the assessment of a claim indicates that a future event is likely to confirm that an asset had been impaired or a liability incurred at the date of the financial statements and the amount of the contingent loss can be reasonably estimated.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2019, accruals have been recorded as part of the provision for unpaid claims and other liabilities (Note 12). Included in this accrual are claims in which AHS has been jointly named with the Minister. The accrual provided for these claims under the provision for unpaid claims represents AHS' portion of the liability.

Note 20 Contractual Obligations and Contingent Liabilities (continued)

AHS has been named in 225 legal claims (2018 – 223 claims) related to conditions in existence at March 31, 2019 where the likelihood of the occurrence of a future event confirming a contingent loss is not reasonably determinable. Of these, 205 claims have \$415,883 in specified amounts and 20 have no specified amounts (2018 – 208 claims with \$308,012 of specified claims and 15 claims with no specified amounts). The resolution of indeterminable claims may result in a liability, if any, that is different than the claimed amount.

AHS has been named as a co-defendant, along with the GOA, in a certified Class Action (the Claim) arising from increases to long-term accommodation charges implemented by Alberta Government regulations enacted on and after August 1, 2003, and paid by residents of long-term care facilities. The Claim was originally dismissed after trial, but is now currently under appeal. The likelihood of the Claim is considered by AHS to be indeterminable, and the amount of the Claim has not yet been specified.

Note 21 Related Parties

Transactions with related parties are included within these consolidated financial statements, unless otherwise stated.

The Minister of Health appoints all members of the AHS Board. The viability of AHS' operations depends on transfers from AH. Transactions between AHS and AH are reported and disclosed in the Consolidated Statement of Operations, the Consolidated Statement of Financial Position, and the Notes to the Consolidated Financial Statements, and are therefore excluded from the table below.

Related parties also include key management personnel of AHS. AHS has defined key management personnel to include those disclosed in Sub-Schedule 2A & 2B of these consolidated financial statements. Related party transactions with key management personnel primarily consist of compensation related payments and are considered to be undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

AHS is considered to be a related party with those entities consolidated or included on a modified equity basis in the GOA consolidated financial statements. Transactions between AHS and the other ministries are recorded at their exchange amount as follows:

	Revenues ^(a)		Expenses	
	2019	2018	2019	2018
Ministry of Advanced Education ^(b)	\$ 57,266	\$ 55,936	\$ 184,812	\$ 179,759
Ministry of Infrastructure ^(c)	340,892	350,196	1	276
Other ministries ^(d)	55,399	58,101	31,064	31,460
Total for the year	\$ 453,557	\$ 464,233	\$ 215,877	\$ 211,495

	Receivable from		Payable to	
	2019	2018	2019	2018
Ministry of Advanced Education ^(b)	\$ 7,692	\$ 4,578	\$ 35,618	\$ 22,749
Ministry of Infrastructure ^(c)	50,566	21,526	65,000	-
Other ministries ^(d)	8,483	16,891	349,886	378,440
Balance, end of year	\$ 66,741	\$ 42,995	\$ 450,504	\$ 401,189

(a) Revenues with GOA ministries include other government transfers of \$420,622 (2018 – \$429,855), (Note 4), other income of \$30,847 (2018 – \$32,004), (Note 6), and fees and charges of \$2,088 (2018 – \$2,374).

(b) Most of AHS transactions with the Ministry of Advanced Education relate to initiatives with the University of Alberta and the University of Calgary. These initiatives include teaching, research, and program delivery. A number of physicians are employed by either AHS or the universities but perform services for both. Due to proximity of locations, some initiatives result in sharing physical space and support services. The revenue and expense transactions are a result of funding provided from one to the other and recoveries of shared costs.

Note 21 Related Parties (continued)

(c) The transactions with the Ministry of Infrastructure (AI) relate to the construction and funding of tangible capital assets. These transactions include operating transfers of \$58,957 (2018 – \$63,699) and recognition of expended deferred capital revenue of \$281,935 (2018 – \$286,497) relating to tangible capital assets with stipulations or external restrictions to utilize over their remaining useful lives. Not included in the table above but included in total amounts disclosed in Note 18(a) is the transfer of land and other tangible capital assets from AI of \$285,322 (2018 – \$337,837).

(d) The payable transactions with other ministries include the debt payable to ACFA (Note 17(a)).

At March 31, 2019, AHS has recorded deferred revenue from other ministries within the GOA, excluding AH, of \$29,073 (March 31, 2018 – \$25,865) related to unexpended deferred operating revenue (Note 14), \$6,173 (March 31, 2018 – \$8,858) related to unexpended deferred capital revenue (Note 15) and \$6,392,267 (March 31, 2018 – \$6,270,713) related to expended deferred capital revenue (Note 16).

Contingent liabilities in which AHS has been jointly named with other government entities within the GOA are disclosed in Note 20.

Note 22 Government Partnerships

AHS has proportionately consolidated 50% of the results of the PCNs and NACTRC and 33.33% of the results in iRSM. The following is 100% of the financial position and results of operations for AHS' government partnerships.

	2019	2018
Financial assets	\$ 71,913	\$ 74,306
Liabilities	71,913	74,306
Accumulated surplus	\$ -	\$ -
Total revenues	\$ 247,615	\$ 248,123
Total expenses	247,615	248,123
Annual surplus	\$ -	\$ -

Note 23 Trusts under Administration**(a) Health Benefit Trust of Alberta (HBTA)**

AHS is one of more than 30 participants in the HBTA and has a majority of representation on the HBTA governance board. The HBTA is a formal health and welfare trust established under a Trust Agreement effective January 1, 2000. The HBTA provides health and other related employee benefits pursuant to the authorizing Trust Agreement.

HBTA's balances as at December 31 are as follows:

	2018	2017
Financial assets	\$ 145,274	\$ 131,234
Liabilities	15,887	15,340
Net financial assets	\$ 129,387	\$ 115,894
Non-financial assets	6	6
Net assets	\$ 129,393	\$ 115,900

AHS has included in prepaid expenses \$93,784 (March 31, 2018 – \$91,077) representing in substance a prepayment of future premiums to HBTA. For the fiscal year ended March 31, 2019, AHS paid premiums of \$391,734 (2018 – \$382,090) to HBTA.

Note 23 Trusts under Administration (continued)**(b) Other Trust Funds**

AHS receives funds in trust for research and development, education, and other programs. These amounts are held and administered on behalf of others in accordance with the terms and conditions embodied in the relevant agreements with no unilateral power to appropriate the funds or to change the conditions set out in the trust indenture (or agreement) and therefore are not reported in these consolidated financial statements. As at March 31, 2019, the balance of funds held in trust by AHS for research and development is \$100 (March 31, 2018 – \$150).

AHS receives funds in trust from continuing care residents for personal expenses. As at March 31, 2019, the balance of these funds is \$1,452 (March 31, 2018 – \$1,686). These amounts are not included in the consolidated financial statements.

AHS and a third party trustee administer the SERP in accordance with a retirement compensation arrangement trust agreement. As at March 31, 2019, there are \$32,674 in plan assets (March 31, 2018 - \$34,474). These amounts are not included in the consolidated financial statements.

Note 24 Segment Disclosure

The Consolidated Schedule of Segment Disclosures – Schedule 3 is intended to enable users to better understand the reporting entity and identify the resources allocated to the major activities of the organization.

AHS' revenues, as reported on the Statement of Operations, are most informatively presented by source and are not reasonably assignable to the reportable segments. For each reported segment, the expenses are directly or reasonably attributable to the segment.

The segments have been selected based on the presentation that is adopted for the financial reporting, planning and budget processes, and represent the major distinguishable activities of AHS.

Segments include:

(a) Community-based care

Community-based care includes supportive living, palliative and hospice care, and community programs including Primary Care Networks, Family Care Clinics, urgent care centres, and community mental health. This segment excludes community-based dialysis, oncology, and surgical services.

(b) Home care

Home care is comprised of home nursing and support.

(c) Continuing care

Continuing care is comprised of long-term care including chronic and psychiatric care in facilities operated by AHS and contracted providers.

(d) Population and public health

Population and public health is comprised primarily of health promotion, disease and injury prevention, and health protection.

(e) Ambulance services

Ambulance services is comprised of ground ambulance, air ambulance, patient transport, and Emergency Medical Services (EMS) central dispatch. AHS also supports community paramedic programs, as well as other programs that support the learning, development, quality and safety of EMS professionals.

Note 24 Segment Disclosure (continued)**(f) Acute care**

Acute care is comprised predominantly of patient care units such as medical, surgical, intensive care, obstetrics, pediatrics, mental health, emergency, day/night care, clinics, day surgery, and contracted surgical services. This segment also includes operating and recovery rooms.

(g) Diagnostic and therapeutic services

Diagnostic and therapeutic services support and provide care for patients through clinical lab (both in the community and acute), diagnostic imaging, pharmacy, acute and therapeutic services such as physiotherapy, occupational therapy, respiratory therapy, and speech language pathology.

(h) Education and research

Education and research is comprised primarily of costs pertaining to formally organized health research and graduate medical education, primarily funded by donations, and third party contributions.

(i) Support services

Support services is comprised of building maintenance operations (including utilities), materials management (including purchasing, central warehousing, distribution and sterilization), housekeeping, patient registration, health records, food services, and emergency preparedness.

(j) Information technology

Information technology is comprised of costs pertaining to the provision of services to design, develop, implement, and maintain effective and efficient management support systems in the areas of data processing, systems engineering, technical support, and systems research and development.

(k) Administration

Administration is comprised of human resources, finance, communications and general administration, as well as a share of administration of certain contracted health service providers. General administration includes senior executives and many functions such as planning and development, infection control, quality assurance, patient safety, insurance, privacy, risk management, internal audit, and legal. Activities and costs directly supporting clinical activities are excluded.

Note 25 Corresponding Amounts

Certain amounts have been reclassified to conform to 2019 presentation.

Note 26 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the AHS Board on May 30, 2019.

SCHEDULE 1 – CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT FOR THE YEAR ENDED MARCH 31

	2019		2018
	Budget (Note 3)	Actual	Actual
Salaries and benefits (Schedule 2)	\$ 8,239,000	\$ 8,321,637	\$ 8,081,785
Contracts with health service providers	2,762,000	2,749,686	2,621,371
Contracts under the Health Care Protection Act	18,000	17,186	18,337
Drugs and gases	496,000	506,662	465,753
Medical and surgical supplies	427,000	431,125	400,795
Other contracted services	1,381,000	1,322,806	1,253,012
Other ^(a)	1,384,000	1,434,605	1,384,755
Amortization and loss on disposals of tangible capital assets (Note 18)	533,000	529,628	538,639
	\$ 15,240,000	\$ 15,313,335	\$ 14,764,447
(a) Significant amounts included in Other are:			
Equipment expense	\$ 198,000	\$ 212,312	\$ 217,147
Other clinical supplies	146,000	161,392	153,879
Utilities	109,000	118,372	118,091
Building and ground expenses	120,000	118,206	119,590
Building rent	115,000	112,921	112,318
Insurance and liability claims	54,000	90,867	58,398
Housekeeping, laundry and linen, plant maintenance and biomedical engineering supplies	85,000	90,608	86,825
Food and dietary supplies	74,000	80,827	79,346
Office supplies	43,000	63,279	63,583
Minor equipment purchases	53,000	59,246	49,204
Fundraising and grants awarded	56,000	51,336	51,621
Travel	50,000	45,423	38,646
Telecommunications	39,000	38,917	38,026
Licenses, fees and memberships	31,000	17,211	19,216
Education	18,000	12,428	12,695
Other	193,000	161,260	166,170
	\$ 1,384,000	\$ 1,434,605	\$ 1,384,755

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2019

	2019							2018		
	FTE ^(a)	Base Salary ^(b)	Other Cash Benefits ^(c)	Other Non-Cash Benefits ^(d)	Subtotal	Severance ^(e)		Total	FTE ^(a)	Total
						Number of Individuals	Amount			
Total Board (Sub-Schedule 2A)	10.82	\$ -	\$ 334	\$ -	334	-	\$ -	\$ 334	9.25	\$ 311
Total Executive (Sub-Schedule 2B)	14.00	5,165	57	806	6,028	-	-	6,028	14.12	6,085
Management Reporting to CEO Direct Reports	56.86	12,876	285	2,636	15,797	-	-	15,797	72.86	20,069
Other Management	3,031.59	363,150	4,333	81,856	449,339	30	3,377	452,716	2,964.39	438,982
Medical Doctors not included above ^(f)	141.84	44,184	1,235	3,519	48,938	3	996	49,934	148.12	49,908
Regulated nurses not included above:										
RNs, Reg. Psych. Nurses, Grad Nurses	19,566.39	1,862,083	272,500	410,140	2,544,723	4	86	2,544,809	19,137.97	2,479,561
LPNs	5,233.39	343,230	45,744	75,851	464,825	2	58	464,883	4,987.54	440,381
Other health technical and professional	16,948.48	1,523,761	92,622	346,116	1,962,499	14	502	1,963,001	16,461.03	1,901,555
Unregulated health service providers	9,310.80	467,839	60,249	110,357	638,445	2	7	638,452	8,908.36	613,100
Other staff	27,251.74	1,712,694	99,212	373,098	2,185,004	45	1,100	2,186,104	26,738.08	2,132,245
Sub-total	81,565.91	6,334,982	576,571	1,404,379	8,315,932	100	6,126	8,322,058	79,441.72	8,082,197
Less amounts included in Other contracted services		(345)	(2)	(74)	(421)	-	-	(421)		(412)
Total		\$ 6,334,637	\$ 576,569	\$ 1,404,305	\$ 8,315,511	100	\$ 6,126	\$ 8,321,637		\$ 8,081,785

This schedule does not include \$27,393 in capitalized salaries and benefits (2018 - \$10,303).

The accompanying footnotes and sub-schedules are part of this schedule

SUB-SCHEDULE 2A – BOARD REMUNERATION FOR THE YEAR ENDED MARCH 31, 2019

	Term	2019 Committees	2019 Remuneration	2018 Remuneration
Board Chair				
Linda Hughes ^(g)	Since Nov 27, 2015	ARC, CEC, FC, GC, HRC, QSC	\$ 69	\$ 67
Board Members				
Dr. Brenda Hemmelgarn (Vice Chair)	Since Nov 27, 2015	CEC (Chair), HR, QSC	49	48
David Carpenter	Since Nov 27, 2015	ARC (Chair), CEC, FC (Chair), HR	35	35
Heather Crowshoe (nee Hirsch)	Since Nov 3, 2016	CEC, GC, QSC	30	31
Richard Dicerni	Since Nov 27, 2015	CEC, FC, HRC (Chair)	27	30
Robb Foote	Apr 12, 2018 to Feb 1, 2019	CEC, FC, GC	24	-
Hugh Sommerville	Since Nov 27, 2015	ARC, GC (Chair)	31	33
Marliss Taylor	Since Nov 27, 2015	CEC, GC, HRC (Chair), QSC	34	32
Glenda Yeates	Since Nov 27, 2015	ARC, FC, QSC (Chair)	31	33
Board Committee Participants^(h)				
Dr. Brian Postl	Since Jan 1, 2018	QSC	2	-
Gord Winkel	Since Nov 27, 2015	QSC	2	2
Total Board			\$ 334	\$ 311

Board members were remunerated with monthly honoraria. In addition, they received remuneration for attendance at Board and committee meetings.

Board committees were established by the Board to assist in governing AHS and overseeing the management of AHS' business and affairs. Board committee participants are eligible to receive remuneration for meetings attended, and in addition Board committee chairs also receive a monthly honorarium.

Committee legend: ARC = Audit and Risk Committee, CEC = Community Engagement Committee, FC = Finance Committee, GC = Governance Committee, HRC = Human Resources Committee, QSC = Quality and Safety Committee

SUB-SCHEDULE 2B - EXECUTIVE SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2019

For the Current Fiscal Year	2019						
	FTE ^(a)	Base Salary ^(b)	Other Cash Benefits ^(c)	Other Non-Cash Benefits ^(d)	Subtotal	Severance ^(e)	Total
Board Direct Reports							
Andrea Beckwith-Ferraton – Chief Ethics and Compliance Officer ⁽ⁿ⁾	1.00	\$ 211	\$ 3	\$ 34	\$ 248	\$ -	\$ 248
Ronda White – Chief Audit Executive ⁽ⁿ⁾	1.00	276	2	43	321	-	321
Dr. Verna Yiu – President and Chief Executive Officer ^(i,o)	1.00	572	-	84	656	-	656
CEO Direct Reports							
Dr. Francois Belanger – VP, Quality and Chief Medical Officer ⁽ⁿ⁾	1.00	462	-	62	524	-	524
Dr. Ted Braun – VP and Medical Director, Central and Southern Alberta ⁽ⁿ⁾	1.00	395	-	71	466	-	466
Mauro Chies – VP, CancerControl Alberta and Clinical Support Services ^(i,n)	0.52	171	-	28	199	-	199
Sean Chilton – VP, Health Professions and Practice ⁽ⁿ⁾	1.00	329	-	55	384	-	384
Todd Gilchrist – VP, People, Legal and Privacy ^(k,n)	1.00	448	1	62	511	-	511
Deb Gordon – VP and Chief Health Operations Officer, Northern Alberta ⁽ⁿ⁾	1.00	369	-	83	452	-	452
Karen Horon – Interim VP, Clinical Support Services ^(l)	0.48	110	-	19	129	-	129
Brenda Huband – VP and Chief Health Operations Officer, Central and Southern Alberta ⁽ⁿ⁾	1.00	369	-	62	431	-	431
Dr. Mark Joffe – VP and Medical Director, Northern Alberta ^(m,p)	1.00	447	35	41	523	-	523
Deborah Rhodes – VP, Corporate Services and Chief Financial Officer ⁽ⁿ⁾	1.00	388	1	54	443	-	443
Dr. Kathryn Todd – VP, System Innovations and Programs ^(m,p)	1.00	289	15	43	347	-	347
Colleen Turner – VP, Community Engagement and Communications ⁽ⁿ⁾	1.00	329	-	65	394	-	394
Total Executive	14.00	\$ 5,165	\$ 57	\$ 806	\$ 6,028	\$ -	\$ 6,028

SUB-SCHEDULE 2B - EXECUTIVE SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2019 (CONTINUED)

For the Prior Fiscal Year	2018						
	FTE ^(a)	Base Salary ^(b)	Other Cash Benefits ^(c)	Other Non-Cash Benefits ^(d)	Subtotal	Severance ^(e)	Total
Board Direct Reports							
Andrea Beckwith-Ferraton – Chief Ethics and Compliance Officer	0.79	\$ 166	\$ -	\$ 40	\$ 206	\$ -	\$ 206
Ronda White – Chief Audit Executive	1.00	276	-	64	340	-	340
Dr. Verna Yiu – President and Chief Executive Officer	1.00	572	-	104	676	-	676
CEO Direct Reports							
Dr. Francois Belanger – VP, Quality and Chief Medical Officer	1.00	462	-	43	505	-	505
Dr. Ted Braun – VP and Medical Director, Central and Southern Alberta	1.00	395	-	47	442	-	442
Mauro Chies – VP, Clinical Support Services	1.00	304	-	52	356	-	356
Sean Chilton – VP, Collaborative Practice, Nursing and Health Professions	1.00	329	-	72	401	-	401
Todd Gilchrist – VP, People, Legal and Privacy	1.00	449	-	64	513	-	513
Deb Gordon – VP and Chief Health Operations Officer, Northern Alberta	1.00	369	-	27	396	-	396
Karen Horon – Acting VP, Clinical Support Services	0.19	44	-	8	52	-	52
Brenda Huband – VP and Chief Health Operations Officer, Central and Southern Alberta	1.00	369	-	45	414	-	414
Noela Inions – Chief Ethics and Compliance Officer	0.06	13	-	3	16	-	16
Dr. Mark Joffe – VP and Medical Director, Northern Alberta	1.00	449	35	44	528	-	528
Dr. David Mador – VP and Medical Director, Northern Alberta	0.08	36	-	4	40	-	40
Deborah Rhodes – VP, Corporate Services and Chief Financial Officer	1.00	433	-	68	501	-	501
Dr. Kathryn Todd – VP, System Innovations and Programs	1.00	286	15	39	340	-	340
Colleen Turner – VP, Community Engagement and Communications	1.00	329	-	30	359	-	359
Total Executive	14.12	\$ 5,281	\$ 50	\$ 754	\$ 6,085	\$ -	\$ 6,085

SUB-SCHEDULE 2C - EXECUTIVE SUPPLEMENTAL PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Certain employees will receive retirement benefits that supplement the benefits limited under the registered plans for service. The Supplemental Pension Plan (SPP) is a defined contribution plan and the Supplemental Executive Retirement Plan (SERP) is a defined benefit plan. The SERP is disclosed in Note 2(h)(iii). The amounts in this table represent the total SPP and SERP benefits earned by the individual during the fiscal year. The current period benefit costs for SPP and the other costs for SERP included in other non-cash benefits disclosed in Sub-Schedule 2B are prorated for the period of time the individual was in their position directly reporting to the Board or directly reporting to the President and Chief Executive Officer. Only individuals holding a position directly reporting to the Board or President and Chief Executive Officer during the current fiscal year are disclosed.

	2019			2018		Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2018	Change During the Year ⁽⁴⁾	Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2019
	SPP Current Period Benefit Costs ⁽¹⁾	SERP Other Costs ⁽²⁾	Total	Total	Total			
Andrea Beckwith-Ferraton - Chief Ethics and Compliance Officer	\$ 6	\$ -	\$ 6	\$ 5	\$ 5	\$ 12	\$ 5	\$ 17
Dr. Francois Belanger - VP, Quality and Chief Medical Officer	36	-	36	36	36	219	20	239
Dr. Ted Braun - VP and Medical Director, Central and Southern Alberta								
SERP	-	5	5	(10)	(10)	215	5	220
SPP	28	-	28	28	28	117	23	140
Mauro Chies - VP, CancerControl Alberta and Clinical Support Services	18	-	18	17	17	87	15	102
Sean Chilton – VP, Health Professions and Practice	20	-	20	20	20	139	17	156
Todd Gilchrist - VP, People, Legal and Privacy	34	-	34	34	34	104	28	132
Deb Gordon - VP and Chief Health Operations Officer, Northern Alberta								
SERP	-	15	15	(31)	(31)	666	17	683
SPP	25	-	25	24	24	147	18	165
Karen Horon - Interim VP, Clinical Support Services	6	-	6	4	4	21	6	27
Brenda Huband - VP and Chief Health Operations Officer, Central and Southern Alberta								
SERP	-	9	9	(18)	(18)	389	11	400
SPP	25	-	25	24	24	155	19	174
Dr. Mark Joffe - VP and Medical Director, Northern Alberta ^(m)	-	-	-	-	-	-	-	-
Deborah Rhodes - VP, Corporate Services and Chief Financial Officer	27	-	27	32	32	211	18	229
Dr. Kathryn Todd - VP, System Innovations and Programs ^(m)	-	-	-	-	-	-	-	-
Colleen Turner - VP, Community Engagement and Communications	20	-	20	20	20	94	14	108
Ronda White - Chief Audit Executive	14	-	14	14	14	80	10	90
Dr. Verna Yiu - President and Chief Executive Officer	49	-	49	49	49	90	47	137

(1) The SPP current period benefit costs are AHS contributions earned in the period.

(2) Other SERP costs include retirement benefits, interest expense on the obligations, and amortization of actuarial gains and losses, offset by the expected return on the plans' assets. AHS uses the straight line method to amortize actuarial gains and losses over the expected average remaining service life of the plan members.

(3) The account balance represents the total cumulative earned contributions to the SPP as well as cumulative investment gains or losses on the contributions.

(4) Changes in the accrued benefit obligation include current period benefit cost, interest accruing on the obligations and the amortization of any actuarial gains or losses in the period. Changes in the account balance include the current benefit costs and investment gains or losses related to the account.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2019

Definitions

- a. For this schedule, full time equivalents (FTE) are determined by actual hours earned divided by 2,022.75 annual base hours. FTE for the Board and Board committee members are prorated using the number of days in the fiscal year between either the date of appointment and the end of the year, the date of appointment and the termination date, or the beginning of the year and the termination date.
- b. Base salary is regular salary and includes all payments earned related to actual hours earned other than those reported as other cash benefits.
- Vacation accruals are included in base salary except for direct reports of the Board or President and Chief Executive Officer whose vacation accruals are included in other non-cash benefits.
- c. Other cash benefits include, as applicable, honoraria, overtime, acting pay, membership fees, travel and automobile allowances, lump sum payments and an allowance for professional development. Relocation expenses are excluded from compensation disclosure as they are considered to be recruiting costs to AHS and not part of compensation unless related to severance. Expense reimbursements are also excluded from compensation disclosure except where the expenses meet the definition of the other cash benefits listed above.
- d. Other non-cash benefits include:
- Employer's current period benefit costs and other costs of supplemental pension plan and supplemental executive retirement plans as defined in Sub-Schedule 2C
 - Employer's share of employee benefit contributions and payments made on behalf of employees including pension, health care, dental and vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, and long and short-term disability plans
 - Vacation accruals for direct reports of the Board or President and Chief Executive Officer, and
 - Employer's share of the cost of additional benefits including sabbaticals or other special leave with pay.
- e. Severance includes direct or indirect payments to individuals upon termination which are not included in other cash benefits or other non-cash benefits.
- f. Compensation provided by AHS for medical doctors included in salaries and benefits expense includes medical doctors paid through AHS payroll. The compensation provided by AHS for the remaining medical doctors is included in other contracted services.

Board and Board Committee Participants

- g. The Board Chair is an Ex-Officio member on all committees.
- h. These individuals were participants of Board committees, but are not Board members or AHS employees.

Executive

- i. The incumbent is engaged in an employment agreement with AHS while on leave of absence from the University of Alberta. The contract term ends June 2, 2021.
- j. The incumbent held the position of Vice President, Clinical Support Services until April 2, 2018 at which time the incumbent was seconded to Calgary Laboratory Services/Alberta Public Laboratories (CLS/APL) to serve as Interim Chief Executive Officer and was no longer a direct report to the President and Chief Executive Officer at AHS. During this tenure, CLS/APL reimbursed AHS for the incumbent's base salary and benefits. The incumbent held the position of Interim Chief Executive Officer at CLS/APL until September 24, 2018 at which time the incumbent resumed the role of Vice President, Clinical Support Services at AHS and returned to being a direct report to the President and Chief Executive Officer at AHS. As a result of additional responsibilities effective November 1, 2018, the incumbent's position was retitled Vice President, CancerControl Alberta and Clinical Support Services.
- k. The incumbent received a vacation payout of \$9 during the year for unused accrued vacation earned in prior periods; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.
- l. The incumbent held the position of Senior Operating Officer, Pharmacy Services until April 2, 2018 at which time the incumbent was appointed to Interim Vice President, Clinical Support Services and became a direct report to the President and Chief Executive Officer. The incumbent received an increase in base salary for the Interim Vice President, Clinical Support Services position. The incumbent held the position of Interim Vice President, Clinical Support Services until September 24, 2018 at which time the incumbent resumed the role of Senior Operating Officer, Pharmacy Services and is no longer a direct report to the President and Chief Executive Officer.
- m. The incumbent is on secondment from the University of Alberta. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Alberta, and AHS reimburses the University for the incumbent's base salary and benefits. In lieu of enrollment into the AHS SPP, the incumbent will receive an annual lump sum supplemental payment equivalent to the amount the incumbent would have received as a member of the SPP and payable from AHS. The lump sum has been included in Other Cash Benefits.

Termination Obligations

- n. The incumbent's termination benefits have not been predetermined.

**FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2019 (CONTINUED)**

- o. In the case of termination without just cause by AHS, the incumbent shall receive severance pay equal to one month base salary for each completed month of service during the first year of the term or, after completion of one year of service of the term, 12 months base salary.
- p. There is no severance associated with the secondment agreement. Upon termination of the secondment agreement, the incumbent would return to the incumbent's regular position at the University of Alberta.

SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURES FOR THE YEAR ENDED MARCH 31

	2019								
	Salaries and benefits	Contracts with health service providers	Contracts under the Health Care Protection Act	Drugs and gases	Medical and surgical supplies	Other contracted services	Other	Amortization and loss on disposals of tangible capital assets	Total
Community-based care	\$ 676,683	\$ 657,092	\$ -	\$ 3,562	\$ 3,668	\$ 31,951	\$ 66,106	\$ 372	\$ 1,439,434
Home care	327,974	246,052	-	179	7,651	83,441	22,850	148	688,295
Continuing care	316,452	775,491	-	7,600	4,030	5,278	25,340	2,152	1,136,343
Population and public health	299,568	9,860	-	6,840	4,089	14,836	12,218	315	347,726
Ambulance services	299,635	174,932	-	1,953	2,538	1,572	30,246	17,169	528,045
Acute care	2,990,169	394,435	17,186	461,210	344,354	600,224	172,436	64,810	5,044,824
Diagnostic and therapeutic services	1,563,024	293,708	-	22,738	60,534	291,808	228,911	44,688	2,505,411
Education and research	186,064	2,911	-	15	78	98,743	28,309	165	316,285
Support services	1,069,471	154,714	-	2,560	3,931	112,198	593,575	323,023	2,259,472
Information technology	241,201	514	-	-	16	37,156	152,125	76,593	507,605
Administration	351,396	39,977	-	5	236	45,599	102,489	193	539,895
Total	\$ 8,321,637	\$ 2,749,686	\$ 17,186	\$ 506,662	\$ 431,125	\$ 1,322,806	\$ 1,434,605	\$ 529,628	\$ 15,313,335

**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURES (CONTINUED)
FOR THE YEAR ENDED MARCH 31**

	2018								
	Salaries and benefits	Contracts with health service providers	Contracts under the Health Care Protection Act	Drugs and gases	Medical and surgical supplies	Other contracted services	Other	Amortization and loss on disposals of tangible capital assets	Total
Community-based care	\$ 627,454	\$ 621,358	\$ -	\$ 3,145	\$ 3,487	\$ 34,256	\$ 79,651	\$ 495	\$ 1,369,846
Home care	286,788	220,857	-	200	6,271	72,220	22,930	313	609,579
Continuing care	311,317	717,001	-	7,417	3,967	4,271	27,115	1,712	1,072,800
Population and public health	296,632	9,584	-	7,342	2,620	13,702	13,967	436	344,283
Ambulance services	284,172	167,566	-	2,191	2,480	1,376	32,105	13,384	503,274
Acute care	2,958,575	392,382	18,337	429,181	321,496	600,951	152,921	55,011	4,928,854
Diagnostic and therapeutic services	1,514,809	300,341	-	13,360	57,078	264,219	222,739	40,510	2,413,056
Education and research	181,971	3,135	-	10	90	84,733	28,891	349	299,179
Support services	1,044,967	151,616	-	2,365	3,017	104,698	594,678	321,212	2,222,553
Information technology	226,839	584	-	-	-	37,570	141,772	104,070	510,835
Administration	348,261	36,947	-	542	289	35,016	67,986	1,147	490,188
TOTAL	\$ 8,081,785	\$ 2,621,371	\$ 18,337	\$ 465,753	\$ 400,795	\$ 1,253,012	\$ 1,384,755	\$ 538,639	\$ 14,764,447