

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements for the year ended March 31, 2023 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 include certain disclosures required by 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 funds;
- safeguard the assets and properties of the “Province of Alberta” that are the responsibility of Alberta Health Services.

Alberta Health Services carries out its responsibility for the consolidated financial statements through the Official Administrator Advisory 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 Official Administrator 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]

Mauro Chies
President and Chief Executive Officer
Alberta Health Services

[Original signed by]

Colleen Purdy, FCPA, FCMA
Vice President Corporate Services and Chief
Financial Officer
Alberta Health Services

June 1, 2023

Independent Auditor's Report

To the Official Administrator of Alberta Health Services

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, 2023, 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, 2023, 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

June 1, 2023
Edmonton, Alberta

CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31			
	2023		2022
	Budget (Note 3)	Actual	Actual (Restated – Schedule 4)
Revenues:			
Alberta Health transfers			
Base operating	\$ 13,446,516	\$ 13,446,558	\$ 13,097,557
One-time base operating	-	185,146	71,003
Other operating	1,663,027	2,467,695	2,779,853
Recognition of expended deferred capital revenue	111,500	104,165	95,636
Other government transfers (Note 4)	304,700	475,512	462,844
Fees and charges	491,200	536,774	478,313
Ancillary operations	114,000	103,324	91,369
Donations, fundraising, and non-government contributions (Note 5)	181,000	189,244	185,893
Investment and other income (Note 6)	185,525	240,285	236,292
TOTAL REVENUES	16,497,468	17,748,703	17,498,760
Expenses:			
Continuing care	1,239,000	1,381,494	1,357,126
Community care	1,792,400	1,888,404	1,803,896
Home care	765,100	740,152	709,715
Acute care	5,271,168	5,594,950	5,343,935
Emergency medical services	605,600	599,476	557,720
Diagnostic and therapeutic services	2,619,700	2,645,702	2,757,593
Population and public health	359,600	589,216	876,457
Research and education	354,900	341,797	351,106
Information technology	726,300	749,085	674,214
Support services (Note 7)	2,266,900	2,639,431	2,489,173
Administration (Note 8)	496,800	495,326	446,932
TOTAL EXPENSES (Schedules 1 and 3)	16,497,468	17,665,033	17,367,867
ANNUAL OPERATING SURPLUS	-	83,670	130,893
Accumulated surplus, beginning of year	1,037,157	1,037,157	906,264
Accumulated surplus, end of year (Note 21)	\$ 1,037,157	\$ 1,120,827	\$ 1,037,157

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31		
	2023	2022
	Actual	Actual (Restated – Schedule 4)
Financial Assets:		
Cash and cash equivalents	\$ 334,649	\$ 200,691
Portfolio investments (Note 10)	2,184,694	2,603,605
Accounts receivable (Note 11)	750,083	594,429
	3,269,426	3,398,725
Liabilities:		
Accounts payable and accrued liabilities (Note 12)	1,773,424	1,951,855
Employee future benefits (Note 13)	787,643	777,878
Unexpended deferred operating revenue (Note 14)	572,628	529,707
Unexpended deferred capital revenue (Note 15)	177,901	149,516
Debt (Note 17)	434,088	454,993
Asset retirement obligations (Note 18)	583,172	544,416
	4,328,856	4,408,365
NET DEBT	(1,059,430)	(1,009,640)
Non-Financial Assets:		
Tangible capital assets (Note 19)	10,303,649	9,998,035
Inventories of supplies (Note 20)	307,725	513,019
Prepaid expenses, deposits, and other non-financial assets	231,254	176,570
	10,842,628	10,687,624
NET ASSETS BEFORE EXPENDED DEFERRED REVENUE	9,783,198	9,677,984
Expended deferred revenue (Note 16)	8,642,101	8,615,941
NET ASSETS	1,141,097	1,062,043
Net Assets is comprised of:		
Accumulated surplus (Note 21)	1,120,827	1,037,157
Accumulated remeasurement gains	20,270	24,886
	\$ 1,141,097	\$ 1,062,043

Contractual Obligations and Contingent Liabilities (Note 22)
Impact of COVID-19 Pandemic (Note 27)

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

Approved by:

[Original signed by]

Dr. John Cowell
Official Administrator
Alberta Health Services

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT YEAR ENDED MARCH 31			
	2023		2022
	Budget (Note 3)	Actual	Actual (Restated – Schedule 4)
Annual operating surplus	\$ -	\$ 83,670	\$ 130,893
Effect of changes in tangible capital assets:			
Acquisition of tangible capital assets:			
Purchased	(498,000)	(497,852)	(463,646)
Leased	-	(19,031)	(15,646)
Constructed by Alberta Infrastructure on behalf of AHS	(660,000)	(262,429)	(425,337)
Contributed	-	(35)	(522)
Capitalized asset retirement costs	-	(41,164)	(9,811)
Amortization and loss on disposals/write-downs of tangible capital assets	499,000	514,897	476,786
Effect of other changes:			
Net increase in expended deferred capital revenue	554,200	246,496	452,077
Net (decrease) increase in expended deferred operating revenue	-	(220,336)	(90,473)
Net decrease (increase) in inventories of supplies	(20,000)	205,294	50,909
Net (increase) decrease in prepaid expenses, deposits and other non-financial assets	9,000	(54,684)	32,796
Net remeasurement (losses) gains for the year	49,900	(4,616)	(30,891)
(Increase) decrease in net debt for the year	(65,900)	(49,790)	107,135
Net debt, beginning of year	(1,009,640)	(1,009,640)	(1,116,775)
Net debt, end of year	\$ (1,075,540)	\$ (1,059,430)	\$ (1,009,640)

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

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES YEAR ENDED MARCH 31		
	2023	2022
	Actual	Actual
Unrestricted unrealized gains (losses) attributable to:		
Derivatives	\$ 2,572	\$ (24)
Portfolio investments	(39,600)	(29,270)
Amounts reclassified to the Consolidated Statement of Operations:		
Derivatives	(1,710)	-
Portfolio investments	34,122	(1,597)
Net remeasurement losses for the year	(4,616)	(30,891)
Accumulated remeasurement gains, beginning of year	24,886	55,777
Accumulated remeasurement gains, end of year (Note 10)	\$ 20,270	\$ 24,886

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

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31		
	2023	2022
	Actual	Actual (Restated – Schedule 4)
Operating transactions:		
Annual operating surplus	\$ 83,670	\$ 130,893
Non-cash items:		
Amortization and loss on disposals/write-downs of tangible capital assets	514,897	476,786
Revenue recognized for acquisition of land	(3,934)	(987)
Recognition of expensed deferred capital revenue	(328,651)	(298,774)
Recognition of expensed deferred operating revenue	(289,853)	(453,686)
Loss (gain) on disposal of portfolio investments	32,218	(36,100)
Change in employee future benefits	9,765	17,092
(Increase) decrease in:		
Accounts receivable related to operating transactions	(155,654)	70,986
Inventories of supplies	205,294	50,909
Prepaid expenses, deposits, and other non-financial assets	(54,684)	32,796
(Decrease) increase in:		
Accounts payable and accrued liabilities	(171,577)	35,567
Unexpended deferred operating revenue	59,541	(111,762)
Asset retirement obligations	(2,409)	-
Cash applied to operating transactions	(101,377)	(86,280)
Capital transactions:		
Purchased tangible capital assets	(497,852)	(463,646)
Cash applied to capital transactions	(497,852)	(463,646)
Investing transactions:		
Purchase of portfolio investments	(4,110,544)	(3,806,735)
Proceeds on disposals of portfolio investments	4,476,003	3,439,408
Cash provided by (applied to) investing transactions	365,459	(367,327)
Financing transactions:		
Restricted operating contributions received	69,517	363,213
Restricted capital contributions received	345,074	310,803
Unexpended deferred capital revenue returned	(73)	(419)
Proceeds from debt	11,500	26,000
Principal payments on debt	(32,405)	(26,666)
Payments on obligations under capital leases	(25,639)	(30,642)
Net repayment of life lease deposits	(246)	(1,493)
Cash provided by financing transactions	367,728	640,796
Increase (decrease) in cash and cash equivalents	133,958	(276,457)
Cash and cash equivalents, beginning of year	200,691	477,148
Cash and cash equivalents, end of year	\$ 334,649	\$ 200,691

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 assets, liabilities, revenues and expenses associated with its responsibilities.

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. In addition, the consolidated financial statements include certain disclosures required by 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 wholly owned subsidiaries:

- Alberta Precision Laboratories Ltd. - provides medical diagnostic services throughout Alberta.
- CapitalCare Group Inc. - manages continuing care programs and facilities in the Edmonton area.
- Carewest - manages continuing care programs and facilities in the Calgary area.

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

- Foundations and other organizations:

The largest foundations controlled by AHS are the Alberta Cancer Foundation and the Calgary Health Foundation. AHS also controls 32 other foundations to facilitate fundraising for various initiatives including enhancements to healthcare delivery (including equipment), programs, renovations, and research and education.

- Provincial Health Authorities of Alberta Liability and Property Insurance Plan (LPIP)

The LPIP's main purpose is to share the risks of general and professional liability to lessen the impact on any one subscriber. Effective April 1, 2020, the LPIP ceased providing new liability coverage and continues in operation for the limited purpose of winding up its affairs.

The LPIP has a fiscal year end of December 31, 2022. Significant transactions occurring between this date and March 31, 2023 have been recorded in these consolidated financial statements.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

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

(ii) Government Partnerships

AHS proportionately consolidates its 50% ownership interests in 40 (2022 – 40) Primary Care Network (PCN) partnerships with physician groups, its 50% ownership interest in the Northern Alberta Clinical Trials Centre (NACTRC) partnership with the University of Alberta, and its 33.33% ownership interest in the Institute for Reconstructive Sciences in Medicine (iRSM) partnership with the University of Alberta and Covenant Health (Note 24).

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.

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 25).

(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 Alberta. The largest of these service providers is Covenant Health, a denominational health care organization, providing a full spectrum of care including operating several hospitals and long-term care facilities. Covenant Health is an independent, separate legal entity with a separate Board of Directors and accordingly, these consolidated 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 Consolidated Statement of Operations.

In addition, AHS provides administrative services to certain foundations and contracted health care providers not included in these consolidated financial statements.

(b) Revenue Recognition

Revenue is recognized in the year 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. Unallocated costs comprising of materials and services contributed by related parties in support of AHS' operations, are not recognized in these consolidated financial statements.

(i) Government Transfers

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

Government transfers and, if applicable, 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 the 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, expended deferred capital revenue and expended deferred operating revenue. The term deferred revenue in these consolidated financial statements refers to the components of deferred revenue as described.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(ii) Donations, Fundraising, and Non-Government Contributions**

Donations, fundraising, and non-government contributions are received from individuals, corporations, registered charities, 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 the communicated use.

In-kind contributions 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 recorded as deferred revenue when received and as revenue when the land is purchased. In-kind donations of land from non-related entities are recorded as revenue at the fair value of the land. When AHS cannot determine the fair value, it records such donations at nominal value. In-kind donations of land from related entities are recorded as revenue at the net book value of the transferring entity.

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

Fees and charges, ancillary operations, and other income are recognized in the year that goods are delivered or services are provided by AHS. 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 portfolio 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 deferred until recognized according to the provisions within the individual funding agreements.

(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

Financial instruments comprise financial assets and financial liabilities. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial liabilities are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial instruments with another entity under conditions that are potentially unfavourable to AHS.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

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

Financial Assets and Financial Liabilities	Subsequent Measurement and Recognition
Portfolio 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.
Cash and cash equivalents, accounts receivable, payroll payable and related accrued liabilities, trade accounts payable and accrued liabilities, other liabilities and debt	Measured at cost or amortized cost.

AHS records equity investments quoted in an active market at fair value and 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 all portfolio 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 portfolio 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. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Contractual obligations are evaluated for the existence of embedded derivatives. An election can be made to either measure the entire contract at fair value or measure the value of the derivative component separately when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for AHS' normal course of business are not recognized as financial assets or liabilities. AHS does not have any embedded derivatives.

A financial liability or a part thereof is derecognized when it is extinguished.

Transaction costs associated with the acquisition and disposal of portfolio investments are expensed as incurred. Investment management fees are expensed as incurred. The purchase and disposition of portfolio investments are recognized on the trade date.

(e) Cash and Cash Equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents include amounts in interest bearing accounts and are subject to an insignificant risk of change in value. Cash and cash equivalents are 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 of Supplies**

Purchased inventories of supplies are valued at lower of cost (defined as moving average cost) and replacement cost. Contributed inventories of supplies are recorded at fair value when such value can reasonably be determined.

(g) Tangible Capital Assets

Tangible capital assets 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, and asset retirement cost. Costs incurred by Alberta Infrastructure (AI) to construct 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	10-70 years
Equipment	3-20 years
Information systems	3-15 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 of tangible capital assets which transfer substantially all benefits and risks of ownership to AHS are accounted for as leased tangible capital assets and leasehold improvements and are amortized over the shorter of the term of the lease or their estimated useful lives. Obligations under capital leases are recorded at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.). 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 to their net recoverable amount 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. Write-downs are recorded as part of amortization and loss on disposals / write-downs of tangible capital assets.

Intangibles and other assets inherited by right and that have not been purchased are not recognized in these consolidated financial statements. Similarly, works of art, historical treasures, and collections are not recognized as tangible capital assets.

(h) Employee Future Benefits**(i) Defined Benefit Pension Plans****Local Authorities Pension Plan (LAPP) and Management Employees Pension Plan (MEPP)**

AHS participates in the LAPP and MEPP which are multi-employer registered defined benefit pension plans. 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. LAPP and MEPP set the employer contribution rates on an annual basis based on actuarially pre-determined amounts that are expected to provide the plans' future benefits.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**Supplemental Executive Retirement Plan (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.

(ii) Defined Contribution Pension Plans**Group Registered Retirement Savings Plans (GRRSPs)**

AHS sponsors 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.

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.

(iii) Other Benefit Plans**Accumulating Non-Vesting Sick Leave**

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' 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 recognizes a liability and expense for accumulating non-vesting sick leave benefits using an actuarial cost method as the employees render services to earn the benefits. The liability and expense is 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 dates, and mortality. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

AHS does not record a liability for sick leave benefits that do not accumulate beyond the current reporting year as these are renewed annually.

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.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(i) Asset Retirement Obligations**

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- (i) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) the past transaction or event giving rise to the liability has occurred;
- (iii) it is expected that future economic benefits will be given up; and
- (iv) a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed. Revisions in estimates are recognized as a change to both the liability and related tangible capital asset in the Consolidated Statement of Financial Position.

(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 denominated in foreign currencies 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 year 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.

(k) Reserves

Certain amounts, as approved by the AHS Board, may be set aside in accumulated surplus for use by AHS for future purposes. Transfers to, or from, are recorded to the respective reserve account when approved. Reserves include Invested in Tangible Capital Assets and Internally Restricted Surplus for Insurance Equity Requirements and Foundations.

(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. 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 could require adjustment in subsequent reporting years.

The amount recorded for amortization of tangible capital assets is based on the estimated useful life of the related assets while the recognition of expensed 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 accumulating non-vesting sick leave are based on various assumptions including the estimated service life of employees, drawdown rate of sick leave banks and rate of salary escalation. The establishment of the provision for unpaid claims relies on judgment and estimates including historical precedent and trends, prevailing legal, economic, social, and regulatory trends; and expectation as to future developments.

There is measurement uncertainty related to asset retirement obligations as it involves estimates in determining settlement amount and timing of settlement. Changes to any of these estimates and assumptions may result in change to the obligation.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(m) Changes in Accounting Policy**

Effective April 1, 2022, AHS adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On the effective date, AHS recognized the following to conform to the new standard;

- (i) asset retirement obligations;
- (ii) asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- (iii) accumulated amortization on the capitalized cost; and
- (iv) adjustment to the opening balance of the accumulated surplus.

Amounts are measured using information and assumptions where applicable, that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated amortization is measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied. Impacts on the prior year's financial statements as a result of the change in accounting policy are presented in Schedule 4.

(n) Future Accounting Changes

On April 1, 2023, AHS will adopt the following new accounting standards and guideline approved by the Public Sector Accounting Board:

- **PS 3400 – Revenue**
PS 3400 provides guidance on how to account for and report revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.
- **PSG-8 – Purchased Intangibles**
PSG-8 provides guidance on the recognition, accounting, and classification of purchased intangible assets.
- **PS 3160 – Public Private Partnerships**
PS 3160 provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.

AHS is currently assessing the impact of these standards and guideline on future consolidated financial statements.

Note 3 Budget

The 2022-23 annual budget was approved by the AHS Board on March 17, 2022 for submission to the Minister who approved it on July 4, 2022. The budget excludes COVID-19 revenues and expenses and the impacts of asset retirement obligations.

Note 4 Other Government Transfers

	Budget	2023	2022 (Note 28)
Recognition of expended deferred capital revenue (Note 16 (a))	\$ 191,600	\$ 192,079	\$ 170,119
Restricted operating (Note 14 (a))	82,900	218,460	175,590
Unrestricted operating	30,200	64,973	117,135
	\$ 304,700	\$ 475,512	\$ 462,844

Other government transfers include \$433,722 (2022 – \$364,457) transferred from the Province of Alberta, \$41,790 (2022 – \$98,387) from government entities outside the Province of Alberta 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	2023	2022
Recognition of expended deferred capital revenue (Note 16 (a))	\$ 36,000	\$ 32,407	\$ 33,020
Restricted operating (Note 14(a))	142,000	150,190	123,946
Unrestricted operating	3,000	6,537	27,213
Endowment contributions (Note 21)	-	110	1,714
	\$ 181,000	\$ 189,244	\$ 185,893

Note 6 Investment and Other Income

	Budget	2023	2022
Investment income	\$ 55,000	\$ 39,658	\$ 75,643
Other income:			
AH	10,525	12,883	11,817
Other Province of Alberta Ministries (Note 23)	30,800	31,307	24,646
Other ⁽ⁱ⁾	89,200	156,437	124,186
	\$ 185,525	\$ 240,285	\$ 236,292

⁽ⁱ⁾ Other mainly relates to recoveries for services provided to third parties.

Note 7 Support Services

	Budget	2023	2022 (Restated – Schedule 4)
Facilities operations	\$ 889,100	\$ 994,103	\$ 895,991
Patient health records, food services, and transportation	405,800	492,530	446,921
Housekeeping, laundry, and linen	193,500	260,404	233,797
Materials management ⁽ⁱ⁾	175,500	243,399	221,805
Support services expense of full-spectrum contracted health service providers	152,500	166,462	159,647
Ancillary operations	85,300	73,236	76,291
Fundraising expenses and grants awarded	46,900	51,705	44,296
Other ⁽ⁱ⁾	318,300	357,592	410,425
	\$ 2,266,900	\$ 2,639,431	\$ 2,489,173

⁽ⁱ⁾ Materials management and other include valuation adjustments of \$71,419 (2022 – \$109,034) relating primarily to COVID-19 Inventory (Note 20).

Note 8 Administration

	Budget	2023	2022 (Restated – Schedule 4)
General administration	\$ 224,300	\$ 219,583	\$ 192,610
Human resources	124,200	127,969	118,230
Finance	78,200	80,565	73,758
Communications	25,600	26,496	22,972
Administration expense of full-spectrum contracted health service providers	44,500	40,713	39,362
	\$ 496,800	\$ 495,326	\$ 446,932

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 accordance with the AHS investment bylaw and policy, AHS manages market risk by maintaining a conservative and diversified portfolio, and engages Alberta Investment Management Corporation, a related party, to manage the portfolio. Compliance with the bylaw and policy is monitored and reported to the Official Administrator on a quarterly basis.

In order to earn financial returns at an acceptable level of market risk, the consolidated investment portfolio is governed by investment bylaws and policies with clearly established target asset mixes. The target assets range between 0% to 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 3.79% (2022 – 3.60%) increase or decrease, with all other variables held constant, the portfolio could expect an increase or decrease in unrealized net gains and losses attributable to unexpended deferred operating revenue of \$60,549 (2022 – \$71,795).

(i) Price Risk

Price risk relates to the possibility that equity portfolio 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 portfolio 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 \$49,936 or 2.27% of total portfolio investments (March 31, 2022 – \$58,868 or 2.25%).

(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 securities 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.

Note 9 Financial Risk Management (continued)

In general, investment returns for fixed income securities 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 and money market instruments.

A 1% change in market yield relating to fixed income securities would have increased or decreased fair value by approximately \$62,550 (March 31, 2022 – \$66,742).

Interest bearing securities have the following average maturity structure:

	2023	2022
Less than one year	27%	30%
1 – 5 years	52%	51%
6 – 10 years	8%	11%
Over 10 years	13%	8%

Asset Class	Average Effective Market Yield	
	2023	2022
Money market instruments	4.45%	0.89%
Fixed income securities	4.21%	2.62%

(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. Cash and cash equivalents and portfolio investments denominated in foreign currencies are 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 instrument 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 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, 2023, investments in non-Canadian equities represented 12.5% (March 31, 2022 – 13.6%) of total portfolio investments.

Foreign exchange fluctuations on cash balances are mitigated by derivatives and holding minimal foreign currency cash balances. AHS holds US dollar forward contracts to manage currency fluctuations relating to its US dollar accounts payable requirements. As at March 31, 2023, AHS held derivatives in the form of forward contracts for future settlement of \$18,000 (2022 – \$24,000). The fair value of these forward contracts as at March 31, 2023 was \$846 (2022 – (\$16)) and is included in portfolio 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, 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.

The carrying amounts of financial assets represent the maximum credit exposure.

Under the investment bylaw and policies governing the consolidated investment 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 investment portfolio. Not more than 20% of the investment portfolio may be BBB or equivalent rated bonds. AHS holds unrated mortgage fund investments which are classified as part of AHS' fixed income securities.

Note 9 Financial Risk Management (continued)

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

Credit Rating	2023	2022
AAA	51%	50%
AA	19%	23%
A	14%	17%
BBB	12%	7%
Unrated	4%	3%
	100%	100%

(c) Liquidity Risk

Liquidity risk is the risk that AHS will encounter difficulty under both normal and stressed conditions in meeting obligations associated with financial liabilities that are settled by delivery of cash and cash equivalents or another financial asset. Liquidity requirements of AHS are met through funding provided by AH, income generated from portfolio investments, and by investing in liquid assets, such as money market securities, fixed income securities and equities traded in an active market that are easily sold and converted to cash. Short-term borrowing to meet financial obligations would be available through established credit facilities, which have not been drawn upon, as described in Note 17(c).

AHS issued debenture maturities are described in Note 17(d). The following are contractual maturities of the remaining financial liabilities as at March 31, 2023, based on expected undiscounted cash flows.

	Due in less than 1 year	Due in 1-5 years	Due after 5 years
Payroll payable and related accrued liabilities	\$ 697,925	\$ -	\$ -
Trade payable and accrued liabilities	749,089	-	-
Other liabilities	6,615	13,227	6,952
	\$ 1,453,629	\$ 13,227	\$ 6,952

Note 10 Portfolio Investments

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Cash held for investing purposes	\$ 122,940	\$ 122,940	\$ 126,002	\$ 126,002
Interest bearing securities:				
Money market securities	367,815	367,775	530,043	530,210
Fixed income securities	1,194,576	1,228,624	1,358,881	1,403,265
	1,562,391	1,596,399	1,888,924	1,933,475
Equities:				
Canadian equity investments and funds	177,151	171,926	189,136	163,447
Global equity investments and funds	273,522	228,896	354,516	294,912
	450,673	400,822	543,652	458,359
Real estate pooled funds	48,690	40,371	45,027	40,371
	\$ 2,184,694	\$ 2,160,532	\$ 2,603,605	\$ 2,558,207

	2023	2022
Items at fair value		
Portfolio investments designated to the fair value category	\$ 2,121,012	\$ 2,577,860
Portfolio investments in equity instruments that are quoted in an active market	62,836	25,761
Derivatives	846	(16)
	\$ 2,184,694	\$ 2,603,605

As at March 31, 2023, included in portfolio investments is \$187,959 (2022 – \$215,299) that is restricted for use as per the requirements in Sections 99 and 100 of the *Insurance Act* (Alberta). Endowment principal included in portfolio investments amounts to \$77,492 (2022 – \$77,382).

Note 10 Portfolio Investments (continued)

The following are the total net remeasurement gains on portfolio investments:

	2023	2022
Accumulated remeasurement gains	\$ 20,270	\$ 24,886
Restricted unrealized net gains attributable to unexpended deferred operating revenue (Note 14(b))	3,892	20,512
	\$ 24,162	\$ 45,398

Fair Value Hierarchy

	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ -	\$ 122,940	\$ -	\$ 122,940
Interest bearing securities:				
Money market securities	-	367,815	-	367,815
Fixed income securities	-	1,143,251	51,325	1,194,576
Equities:				
Canadian equity investments and funds	62,836	114,315	-	177,151
Global equity investments and funds	-	273,522	-	273,522
Real estate pooled funds	-	-	48,690	48,690
	\$ 62,836	\$ 2,021,843	\$ 100,015	\$ 2,184,694
Percent of total	3%	93%	4%	100%

	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ -	\$ 126,002	\$ -	\$ 126,002
Interest bearing securities:				
Money market securities	-	530,043	-	530,043
Fixed income securities	-	1,307,828	51,053	1,358,881
Equities:				
Canadian equity investments and funds	25,761	163,375	-	189,136
Global equity funds	-	354,516	-	354,516
Real estate pooled funds	-	-	45,027	45,027
	\$ 25,761	\$ 2,481,764	\$ 96,080	\$ 2,603,605
Percent of total	1%	95%	4%	100%

Reconciliation of Investments classified as level 3

	2023		
	Fixed income securities	Real estate pooled funds	Total
Beginning of year	\$ 51,053	\$ 45,027	\$ 96,080
Purchases	2,266	-	2,266
Sales	(857)	-	(857)
(Loss) gain included in the Consolidated Statement of Remeasurement Gains and Losses	(1,999)	3,663	1,664
Transfers in	862	-	862
End of year	\$ 51,325	\$ 48,690	\$ 100,015

Note 10 Portfolio Investments (continued)

	2022		
	Fixed income securities	Real estate pooled funds	Total
Beginning of year	\$ 51,585	\$ 40,623	\$ 92,208
Purchases	1,192	29	1,221
Sales	-	-	-
Gain (loss) included in the Consolidated Statement of Remeasurement Gains and Losses	(1,663)	4,375	2,712
Transfers out	(61)	-	(61)
End of year	\$ 51,053	\$ 45,027	\$ 96,080

Note 11 Accounts Receivable

	2023			2022
	Gross	Allowance for Doubtful Accounts	Net	Net
AH operating transfers receivable	\$ 324,146	\$ -	\$ 324,146	\$ 194,000
Other capital transfers receivable	108,535	-	108,535	96,127
Patient accounts receivable	134,813	48,229	86,584	74,495
Drugs rebates receivable	87,031	-	87,031	83,982
AH capital transfers receivable	10,922	-	10,922	21,400
Other operating transfers receivable	38,117	-	38,117	20,334
Other accounts receivable	104,310	9,562	94,748	104,091
	\$ 807,874	\$ 57,791	\$ 750,083	\$ 594,429

Accounts receivable are unsecured and non-interest bearing. At March 31, 2022, the total allowance for doubtful accounts was \$51,767 of which \$42,081 related to patient accounts receivable.

Note 12 Accounts Payable and Accrued Liabilities

	2023	2022
Payroll payable and related accrued liabilities	\$ 697,925	\$ 807,029
Trade accounts payable and accrued liabilities	749,089	756,193
Provision for unpaid claims ^(a)	164,312	191,618
Obligations under capital leases ^(b)	122,977	129,882
Other liabilities	39,121	67,133
	\$ 1,773,424	\$ 1,951,855

As at March 31, 2023, accounts payable and accrued liabilities includes payables related to the purchase of tangible capital assets of \$237,507 (2022 – \$250,754). Of these amounts, \$9,779 (2022 – \$10,025) comprise life lease deposits received from tenants of certain AHS' long term care facilities, amounts payable to AI of \$nil (2022 – \$23,550) related to a project funded by debt, and obligations under capital leases of \$122,977 (2022 – \$129,882).

- (a) Provision for unpaid claims is an actuarial estimate of liability claims against AHS. It is influenced by factors such as historical trends involving claim payment patterns, loss payments, number of unpaid claims, claims severity and claim frequency patterns.

Note 12 Accounts Payable and Accrued Liabilities (continued)

The provision has been estimated using the discounted value of claim liabilities using a discount rate of 3.80% (2022 – 3.00%) plus a provision for adverse deviation, based on actuarial estimates.

- (b) Obligations under capital leases include site leases with the University of Calgary, vehicle and equipment leases, site leases for ambulance services and a community care service facility.

The obligations will be settled between 2024 and 2041 and have an implicit interest rate payable ranging from 2.53% to 5.07% (2022 – 2.53% to 5.07%).

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

Year ended March 31	Minimum Contract Payments	
2024	\$	16,904
2025		16,120
2026		14,944
2027		13,003
2028		9,729
Thereafter		74,187
		144,887
Less: interest		(21,910)
	\$	122,977

Note 13 Employee Future Benefits

	2023	2022
Accrued vacation pay	\$ 646,664	\$ 640,004
Accumulating non-vesting sick leave ^(a)	140,592	135,445
SERP pension plans	387	2,429
	\$ 787,643	\$ 777,878

(a) Accumulating Non-Vesting Sick Leave

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

	2023	2022
Funded status – deficit	\$ 91,650	\$ 145,281
Unamortized net actuarial gain (loss)	48,942	(9,836)
Accrued benefit liability	\$ 140,592	\$ 135,445

Key assumptions used in the determination of the accumulating non-vesting sick leave liability are:

	2023	2022
Estimated average remaining service life	10 years	13 years
Draw down rate of accumulated non-vesting sick leave bank	18.30%	18.30%
Discount rate – beginning of year	2.50%	1.77%
Discount rate – end of year	5.60%	2.50%
Rate of compensation increase per year	2022-23	2021-22
	1.60%	1.25%
	2023-24	2022-23
	2.25%	1.25%
	2024-25	Thereafter
	2.00%	2.75%
	Thereafter	
	2.75%	

Note 13 Employee Future Benefits (continued)**(b) Local Authorities Pension Plan (LAPP)****(i) AHS Participation in the LAPP**

The majority of AHS employees participate in the LAPP. AHS' employees comprise approximately 47% (2022 - 47%) of the total membership in 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.

(ii) LAPP Surplus

The LAPP carried out an actuarial valuation as at December 31, 2021 and these results were then extrapolated to December 31, 2022.

	December 31, 2022	December 31, 2021
LAPP net assets available for benefits	\$ 58,747,000	\$ 61,715,000
LAPP pension obligation	46,076,000	49,792,629
LAPP surplus	\$ 12,671,000	\$ 11,922,371

The 2023 and 2022 LAPP contribution rates are as follows:

Calendar 2023		Calendar 2022	
Employer	Employees	Employer	Employees
8.45% of pensionable earnings up to the YMPE and 12.23% of the excess	7.45% of pensionable earnings up to the YMPE and 11.23% of the excess	8.45% of pensionable earnings up to the YMPE and 12.80% of the excess	7.45% of pensionable earnings up to the YMPE and 11.80% of the excess

(c) Pension Expense

	2023	2022
Local Authorities Pension Plan	\$ 462,649	\$ 555,331
Defined contribution pension plans and group RRSPs	39,651	42,545
Other pension plans	(253)	1,012
	\$ 502,047	\$ 598,888

Note 14 Unexpended Deferred Operating Revenue

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

	2023				2022
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 203,407	\$ 30,347	\$ 295,953	\$ 529,707	\$ 641,469
Adjustment related to Ministry of Mental Health and Addiction ⁽ⁱⁱ⁾	(70,048)	70,048	-	-	-
Balance, beginning of year (reclassified)	\$ 133,359	\$ 100,395	\$ 295,953	\$ 529,707	\$ 641,469
Received or receivable during the year	2,295,676	137,599	163,087	2,596,362	2,969,275
Unexpended deferred operating revenue returned	(1,037)	(2,363)	(1,185)	(4,585)	(97,699)
Restricted investment income	549	402	1,512	2,463	36,329
Transferred from (to) unexpended deferred capital revenue ⁽ⁱⁱⁱ⁾	9,942	81,990	(8,497)	83,435	90,524
Transferred to expended deferred operating revenue	(69,517)	-	-	(69,517)	(363,213)
Recognized as revenue	(2,177,842)	(218,460)	(150,190)	(2,546,492)	(2,665,233)
Miscellaneous other revenue recognized	(548)	(3)	(1,574)	(2,125)	(33,873)
	190,582	99,560	299,106	589,248	577,579
Changes in unrealized net gains attributable to portfolio investments related to endowments and unexpended deferred operating revenue	(339)	(830)	(15,451)	(16,620)	(47,872)
Balance, end of year	\$ 190,243	\$ 98,730	\$ 283,655	\$ 572,628	\$ 529,707

(i) The balance for other government includes \$2,512 (2022 – \$535) of unexpended deferred operating revenue received from government entities outside the Province of Alberta. The remaining balance in other government all relates to the Province of Alberta (Note 23).

(ii) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.

(iii) The transfer is mainly comprised of restricted capital funding that was used for approved expenditures that did not meet the definition of a tangible capital asset.

Note 14 Unexpended Deferred Operating Revenue (continued)

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

	2023				2022
	AH	Other Government	Donors and Non-Government	Total	Total
Research and education	\$ 4,732	\$ 2,494	\$ 194,499	\$ 201,725	\$ 203,806
Cancer prevention, screening and treatment	71,224	-	3,582	74,806	32,423
Support services	1,081	4,213	63,628	68,922	66,959
Addiction and mental health	-	46,926	1,791	48,717	50,115
Physician revenue and alternate relationship plans	46,050	341	-	46,391	28,771
Primary Care Networks	23,150	-	-	23,150	20,299
Diagnostic and therapeutic services	20,415	613	1,563	22,591	16,222
Promotion, prevention and community	5,102	16,064	697	21,863	18,254
Long term care partnerships	-	19,508	-	19,508	19,109
COVID-19 pandemic response and support	6,163	6,717	51	12,931	30,535
Inpatient acute nursing services	8,603	-	2,880	11,483	4,022
Others individually less than \$10,000	3,243	1,034	12,372	16,649	18,680
	189,763	97,910	281,063	568,736	509,195
Unrealized net gain attributable to portfolio investments related to endowments and unexpended deferred operating revenue (Note 10)	480	820	2,592	3,892	20,512
	\$ 190,243	\$ 98,730	\$ 283,655	\$ 572,628	\$ 529,707

Note 15 Unexpended Deferred Capital Revenue

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

	2023				2022
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 52,128	\$ 3,734	\$ 93,654	\$ 149,516	\$ 165,111
Adjustment related to Ministry of Mental Health and Addiction ⁽ⁱⁱ⁾	(801)	801	-	-	-
Balance, beginning of year (reclassified)	\$ 51,327	\$ 4,535	\$ 93,654	\$ 149,516	\$ 165,111
Received or receivable during the year	98,436	282,052	49,182	429,670	401,327
Used for the acquisition of land	(22)	-	(3,912)	(3,934)	(987)
Unexpended deferred capital revenue returned	-	(31)	(42)	(73)	(419)
Transferred to expended deferred capital revenue	(68,783)	(195,032)	(48,868)	(312,683)	(324,992)
Transferred to (from) unexpended deferred operating revenue ⁽ⁱⁱⁱ⁾	(9,942)	(81,990)	8,497	(83,435)	(90,524)
Revenue recognized on settlement of asset retirement obligations (Note 18)	(43)	(1,092)	(25)	(1,160)	-
Balance, end of year	\$ 70,973	\$ 8,442	\$ 98,486	\$ 177,901	\$ 149,516

⁽ⁱ⁾ The balance for other government all relates to the Province of Alberta (Note 23).⁽ⁱⁱ⁾ On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.⁽ⁱⁱⁱ⁾ The transfer is mainly comprised of restricted capital funding of approved expenditures that did not meet the definition of a tangible capital asset.

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

	2023	2022 ⁽ⁱ⁾
AH		
COVID-19 related projects and equipment	\$ 5,061	\$ 2,086
Continuing Care Beds	12,714	18,844
Information systems	5,505	2,946
Medical Equipment Replacement Upgrade Program	2,367	-
Diagnostic equipment	3,612	9,560
Alberta Surgical Initiative Capital Program	15,560	-
Rural Health Facilities Revitalization Program	22,119	17,697
Other equipment	4,035	194
Total AH	70,973	51,327
Other government		
Facilities and improvements	2,489	3,734
COVID-19 related projects and equipment	392	390
Equipment	5,561	411
Total other government	8,442	4,535
Donors and non-government		
Equipment	88,792	81,336
Facilities and improvements	9,694	12,282
COVID-19 related projects and equipment	-	36
Total donors and non-government	98,486	93,654
	\$ 177,901	\$ 149,516

Note 15 Unexpended Deferred Capital Revenue (continued)

(i) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. The following adjustments have been made related to the Ministry of Mental Health and Addiction: AH COVID-19 related projects and equipment reclassified from \$2,476 to \$2,086, AH Other Equipment reclassified from \$605 to \$194, Other Government COVID-19 related projects and equipment reclassified from \$nil to \$390, and Other Government Equipment reclassified from \$nil to \$411.

Note 16 Expended Deferred Revenue

	2023	2022
Expended deferred capital revenue ^(a)	\$ 8,525,465	\$ 8,278,969
Expended deferred operating revenue ^(b)	116,636	336,972
	\$ 8,642,101	\$ 8,615,941

(a) Expended deferred capital revenue

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

	2023				2022
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 632,388	\$ 7,435,085	\$ 211,496	\$ 8,278,969	\$ 7,826,892
Adjustment related to Ministry of Mental Health and Addiction ⁽ⁱⁱ⁾	(5,138)	5,138	-	-	-
Balance, beginning of year (reclassified)	\$ 627,250	\$ 7,440,223	\$ 211,496	\$ 8,278,969	\$ 7,826,892
Transferred from unexpended deferred capital revenue	68,783	195,032	48,868	312,683	324,992
Constructed tangible capital assets on behalf of AHS	-	262,429	-	262,429	425,337
Contributed tangible capital assets	-	-	35	35	522
Recognized as revenue	(104,165)	(192,079)	(32,407)	(328,651)	(298,774)
Balance, end of year	\$ 591,868	\$ 7,705,605	\$ 227,992	\$ 8,525,465	\$ 8,278,969

(i) The entire balance in other government all relates to the Province of Alberta (Note 23).

(ii) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amounts from Alberta Health transfers to other government transfers to conform with 2023 presentation.

(b) Expended deferred operating revenue

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

	2023	2022
	Total	Total
Balance, beginning of year	\$ 336,972	\$ 427,445
Transferred from unexpended deferred operating revenue	69,517	363,213
Recognized as unrestricted revenue	-	(39,530)
Recognized as restricted revenue	(289,853)	(414,156)
Balance, end of year	\$ 116,636	\$ 336,972

The balance of expended deferred operating revenue pertains to unused COVID-19 supplies purchased with AH funding.

Note 17 Debt

	2023	2022
Debentures ^(a) :		
Parkade loan #1	\$ 13,446	\$ 16,925
Parkade loan #2	14,677	17,567
Parkade loan #3	22,372	25,507
Parkade loan #4	98,549	107,687
Parkade loan #5	24,473	26,528
Parkade loan #6	18,411	19,504
Parkade loan #7	41,037	43,240
Parkade loan #8	151,400	153,334
Energy savings initiative loan	16,817	18,701
EMS support vehicle loan ^(b)	32,906	37,500
	434,088	466,493
Loan proceeds to be received ^(b)	-	(11,500)
	\$ 434,088	\$ 454,993

- (a) Alberta Treasury Board and Finance (TBF) is responsible for the administration of the Province's lending program.

AHS issued debentures to TBF, 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 constructed, renovated, owned, and operated by AHS as security for these debentures.

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

AHS is in compliance with all performance requirements relating to its debentures as at March 31, 2023.

- (b) AHS issued a debenture to TBF relating to EMS support vehicles. AHS has pledged the vehicles as security for this debenture. In the 2022-23 fiscal year, AHS received the remaining \$11,500 in loan proceeds from TBF.

Note 17 Debt (continued)

The maturity dates and interest rates for the outstanding 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%
Parkade loan #8	December 2059	3.6010%
Energy savings initiative loan	December 2030	2.4160%
EMS support vehicle loan	September 2026	1.1500%

- (c) As at March 31, 2023, AHS has access to a \$220,000 (2022 – \$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, 2023, AHS has \$nil (2022 – \$nil) draws against this facility.

AHS also has access to a \$33,000 (2022 – \$33,000) revolving demand letter of credit facility which may be used to secure AHS' obligations to third parties. At March 31, 2023, AHS has \$3,353 (2022 – \$3,626) in a letter of credit outstanding against this facility. AHS is in compliance with the terms of the agreement relating to the letter of credit as at March 31, 2023.

- (d) AHS is committed to making principal and interest payments with respect to its outstanding debt as follows:

Year Ended March 31	Principal	Interest	Total
2024	\$ 38,275	\$ 15,876	\$ 54,151
2025	39,633	14,519	54,152
2026	41,047	13,104	54,151
2027	35,618	11,630	47,248
2028	28,214	10,316	38,530
Thereafter	251,301	109,987	361,288
	\$ 434,088	\$ 175,432	\$ 609,520

During the year, the total interest related to debt was \$16,960 (2022 – \$17,903), comprised of capitalized interest of \$3,631 (2022 – \$5,553) (Note 19a) and interest expense of \$13,329 (2022 – \$12,350). Accrued interest at March 31, 2023 amounted to \$2,767 (2022 – \$2,893).

Note 18 Asset Retirement Obligations

	2023	2022 (Restated – Schedule 4)
Asset retirement obligations, beginning of year	\$ 544,416	\$ -
Adjustment related to changes in accounting policy (Note 2(m))	-	534,527
Balance, beginning of year (Restated)	\$ 544,416	\$ 534,527
Liability incurred	1,144	-
Liability settled	(2,780)	-
Revision in estimates	40,392	9,889
Asset retirement obligations, end of year	\$ 583,172	\$ 544,416

AHS has asset retirement obligations to remove hazardous asbestos fibre containing materials from its buildings. Regulations require AHS to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for AHS to remove the asbestos when asset retirement activities occur.

The estimate of the liability is based primarily on asbestos abatement rates calculated using the current costs incurred as part of AHS renovation and demolition projects. Third party engineering reports, building schematics, and professional judgments were used in determining the square meters containing asbestos.

The timing of settlement of asset retirement obligations is currently unknown. For the year ended March 31, 2023, a recovery of \$1,160 (2022 - \$nil) was recognized (Note 15(a)).

Note 19 Tangible Capital Assets

Cost	2022 (Restated – Schedule 4)	Additions ^(a)	Transfers	Disposals/write- downs	2023
Facilities and improvements	\$ 11,129,930	\$ 41,164	\$ 1,564,511	\$ (17,954)	\$ 12,717,651
Work in progress	1,934,048	557,785	(1,822,697)	(4,042)	665,094
Equipment	2,823,434	208,700	(2,107)	(55,517)	2,974,510
Information systems	2,106,767	10,124	165,939	(14,126)	2,268,704
Building service equipment	978,574	-	47,300	-	1,025,874
Land ^(b)	117,804	3,966	-	(21)	121,749
Leased facilities and improvements	262,878	-	55,496	(631)	317,743
Land improvements	116,010	-	(8,442)	-	107,568
	\$ 19,469,445	\$ 821,739	\$ -	\$ (92,291)	\$ 20,198,893

Accumulated Amortization	2022 (Restated – Schedule 4)	Amortization Expense	Effect of Transfers	Disposals/write- downs	2023
Facilities and improvements	\$ 4,866,614	\$ 142,844	\$ -	\$ (15,168)	\$ 4,994,290
Work in progress	-	-	-	-	-
Equipment	2,190,700	160,272	-	(52,809)	2,298,163
Information systems	1,556,079	140,274	-	(14,110)	1,682,243
Building service equipment	574,139	51,966	-	-	626,105
Land ^(b)	-	-	-	-	-
Leased facilities and improvements	205,500	9,123	-	(307)	214,316
Land improvements	78,378	1,749	-	-	80,127
	\$ 9,471,410	\$ 506,228	\$ -	\$ (82,394)	\$ 9,895,244

Cost	2021	Changes in Accounting Policy (Note 2(m))	Additions	Transfers	Disposals/write- downs	2022 Restated
Facilities and improvements	\$ 10,517,852	\$ 536,774	\$ 106	\$ 86,342	\$ (11,144)	\$ 11,129,930
Work in progress	1,492,842	-	672,654	(229,305)	(2,143)	1,934,048
Equipment	2,724,823	-	195,508	1,160	(98,057)	2,823,434
Information systems	2,014,793	-	35,708	71,953	(15,687)	2,106,767
Building service equipment	918,156	3,360	188	57,664	(794)	978,574
Land ^(b)	116,840	-	987	-	(23)	117,804
Leased facilities and improvements	256,700	-	-	6,178	-	262,878
Land improvements	110,023	-	-	6,008	(21)	116,010
	\$ 18,152,029	\$ 540,134	\$ 905,151	\$ -	\$ (127,869)	\$ 19,469,445

Accumulated Amortization	2021	Changes in Accounting Policy (Note 2(m))	Amortization Expense	Effect of Transfers	Disposals/write- downs	2022 Restated
Facilities and improvements	\$ 4,420,368	\$ 323,673	\$ 133,408	\$ -	\$ (10,835)	\$ 4,866,614
Work in progress	-	-	-	-	-	-
Equipment	2,131,296	-	155,655	-	(96,251)	2,190,700
Information systems	1,449,602	-	121,835	-	(15,358)	1,556,079
Building service equipment	524,346	2,054	48,446	-	(707)	574,139
Land ^(b)	-	-	-	-	-	-
Leased facilities and improvements	196,225	-	9,275	-	-	205,500
Land improvements	74,929	-	3,470	-	(21)	78,378
	\$ 8,796,766	\$ 325,727	\$ 472,089	\$ -	\$ (123,172)	\$ 9,471,410

Note 19 Tangible Capital Assets (continued)

	Net Book Value	
	2023	2022 (Restated – Schedule 4)
Facilities and improvements	\$ 7,723,361	\$ 6,263,316
Work in progress	665,094	1,934,048
Equipment	676,347	632,734
Information systems	586,461	550,688
Building service equipment	399,769	404,435
Land ^(b)	121,749	117,804
Leased facilities and improvements	103,427	57,378
Land improvements	27,441	37,632
	\$ 10,303,649	\$ 9,998,035

(a) Additions

Additions include tangible capital assets constructed by AI on behalf of AHS of \$262,429 (2022 – \$425,337) and \$35 contributed from other sources (2022 – \$522). During the year, AHS capitalized interest of \$3,631 (2022 – \$5,553) (Note 17(d)) within work in progress. Capital lease additions amounted to \$19,031 (2022 – \$15,646).

(b) Leased Land

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

Site	Leased from	Lease Expiry
Laneway adjacent to Queen Elizabeth II Hospital	Town of Grande Prairie	December 2023
Evansburg Community Health Centre	Yellowhead County	April 2031
Bethany Care Centre	Red Deer College	April 2034
Mymam Land	Eagle Hill Foundation	May 2038
Helipad Land at Two Hills	Stella Stefiuk	August 2041
McConnell Place North	City of Edmonton	September 2044
Northeast Community Health Centre	City of Edmonton	February 2047
Jasper Healthcare Centre	Parks Canada	March 2049
Foothills Medical Centre Parkade	University of Calgary	July 2054
Alberta Children's Hospital	University of Calgary	December 2103
Kaye Edmonton Clinic (Parcel H)	The University of Alberta	February 2109

(c) Leased Tangible Capital Assets

Tangible capital assets acquired through capital leases includes vehicle leases, equipment, information systems and facilities with a cost of \$487,324 (2022 – \$397,498) and accumulated amortization of \$269,475 (2022 – \$240,358).

(d) Asset Retirement Costs

Included in tangible capital assets are \$581,299 (2022 - \$540,134) of asset retirement costs and \$348,944 of related accumulated amortization (2022 - \$337,329).

Note 20 Inventories of Supplies

	2023	2022
Pharmaceuticals	\$ 114,334	\$ 93,018
Medical and surgical supplies	42,864	49,450
Personal protective equipment	116,156	246,440
COVID-19 laboratory testing supplies	1,288	13,048
COVID-19 rapid test kits	15,343	93,826
Other	17,740	17,237
	\$ 307,725	\$ 513,019

The easing of health restrictions has reduced the demand for masks and rapid test kits while the resolution of global shortages for personal protective equipment (PPEs) has reduced its costs. As a result, a valuation adjustment of \$71,419 (2022 – \$109,034) has been recorded to write down the cost of PPEs to its current replacement cost and to provide for inventories that no longer meet clinical standards and requirements (Note 7).

AHS holds and distributes COVID-19 rapid test kits, provided at no cost by the Federal Government, on behalf of AH. These inventories are excluded from these consolidated financial statements. AHS is holding \$223,542 (2022 – \$117,429) on behalf of AH as at March 31, 2023.

Note 21 Accumulated Surplus

Accumulated surplus is comprised of the following:

	2023					2022
	Unrestricted Surplus	Invested in Tangible Capital Assets ^(a)	Endowments ^(b)	Internally Restricted Surplus for Insurance Equity Requirements and Foundations ^(c)	Total	Total (Restated – Schedule 4)
Balance, beginning of year	\$ 235,623	\$ 602,562	\$ 77,382	\$ 121,590	\$ 1,037,157	\$ 1,236,273
Adjustment related to changes in accounting policy (Note 2(m))	-	-	-	-	-	(330,009)
Balance, beginning of year (Restated)	\$ 235,623	\$ 602,562	\$ 77,382	\$ 121,590	\$ 1,037,157	\$ 906,264
Annual operating surplus	83,670	-	-	-	83,670	130,893
Net investment in tangible capital assets	(55,811)	55,811	-	-	-	-
Transfer of insurance equity requirements and foundations surpluses	(10,087)	-	-	10,087	-	-
Transfer of net deficits related to asset retirement obligations	9,206	(9,206)	-	-	-	-
Transfer of endowment contributions (note 5)	(110)	-	110	-	-	-
Balance, end of year	\$ 262,491	\$ 649,167	\$ 77,492	\$ 131,677	\$ 1,120,827	\$ 1,037,157

Note 21 Accumulated Surplus (continued)**(a) Invested in Tangible Capital Assets**

Invested In tangible capital assets represents the portion of accumulated surpluses that has been invested in the acquisition or construction of AHS' assets. The balance is offset by asset retirement costs recognized in accumulated surplus net of related liability settlements.

Reconciliation of invested in tangible capital assets:

	2023	2022 (Restated)
Tangible capital assets (Note 19)	\$ 10,303,649	\$ 9,998,035
Net Book Value of Asset Retirement Costs capitalized (Note 19(d))	(232,355)	(202,805)
Less funded by:		
Expended deferred capital revenue (Note 16(a))	(8,525,465)	(8,278,969)
Debt (Note 17)	(434,088)	(454,993)
Unexpended debt	20,999	22,812
Obligations under capital leases (Note 12(b))	(122,977)	(129,882)
Life lease deposits (Note 12)	(9,779)	(10,025)
	\$ 999,984	\$ 944,173
Asset retirement costs recognized net of related liability settlements	(350,817)	(341,611)
	\$ 649,167	\$ 602,562

(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 \$110 (2022 – \$1,714) of contributions received in the year (Note 5).

(c) Internally Restricted Surplus for Insurance Equity Requirements and Foundations

Insurance equity requirements comprise surpluses of \$39,359 (2022 – \$33,239) related to equity of the LPIP mainly relating to legislative requirements per the Insurance Act. Foundations comprise surpluses amounting to \$92,318 (2022 – \$88,351) related to donations received by AHS' Controlled Foundations without external restrictions attached.

Note 22 Contractual Obligations and Contingent Liabilities**(a) Contractual Obligations**

Contractual obligations are AHS' obligations to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

Year ended March 31	Services ⁽ⁱ⁾	Other ⁽ⁱⁱ⁾	Operating Lease	Capital Projects	Total
2024	\$ 3,696,209	\$ 487,358	\$ 59,888	\$ 231,950	\$ 4,475,405
2025	1,943,504	281,145	51,792	33,747	2,310,188
2026	1,660,454	163,460	40,364	2,870	1,867,148
2027	1,234,301	94,610	36,397	-	1,365,308
2028	1,105,678	59,340	30,248	-	1,195,266
Thereafter	10,481,598	40,354	94,146	-	10,616,098
March 31, 2023	\$ 20,121,744	\$ 1,126,267	\$ 312,835	\$ 268,567	\$ 21,829,413
March 31, 2022	\$ 15,791,980	\$ 1,102,318	\$ 299,788	\$ 259,965	\$ 17,454,051

- (i) Service obligations mainly relate to contracts with third parties for the provision of long-term care services, home care services, and community laboratory services (Note 22 (b)).
- (ii) Other obligations mainly relate to contracts with third parties for maintenance, information technology services, software, equipment, and procurement of medical supplies and food.

(b) Outsourcing of Community Laboratory Services

On May 30, 2022, AHS and a third party service provider finalized and executed a Services Agreement and Ancillary Agreements (the Agreements) that resulted in the transition of community laboratory services from AHS to the third party service provider, commencing December 5, 2022. As part of the Agreements, a portion of the workforce was transitioned to the third-party service provider. The Agreements extend over an initial term of 14 years and four months with an estimated commitment of \$4.8 billion. This transfer of service does not change AHS' mandate to provide laboratory services within Alberta. AHS plans to continue with the delivery of acute care hospital laboratory, urgent care laboratory, and public health laboratory services and specialty complex and esoteric testing services.

(c) Contingent Liabilities**(i) Legal Claims**

AHS is subject to legal claims during its normal course of business. AHS recognizes a liability when the assessment of a claim indicates that a future event is likely to confirm that a liability has been 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, 2023, 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.

AHS has been named in 292 legal claims (2022 – 283 claims) related to conditions in existence at March 31, 2023 where the likelihood of the occurrence of a future event confirming a contingent loss is not determinable. Of these, 256 claims have \$777,051 in specified amounts and 36 have no specified amounts (2022 – 247 claims with \$759,551 of specified claims and 36 claims with no specified amounts). The resolution of indeterminable claims may result in a liability, if any, that is different than the claimed amount.

(ii) Collective Agreements

AHS currently has 7 (2022 – 18) collective agreements that have expired and are currently under negotiation as at March 31, 2023. Given that negotiations are ongoing, no additional disclosures have been made.

Note 23 Related Parties

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

The Minister appoints the Official Administrator and previously, 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 tables below.

Related parties also include key management personnel of AHS. AHS has defined key management personnel to include those disclosed in Schedules 2A and 2B of these consolidated financial statements, except management reporting to CEO direct reports. Related party transactions with key management personnel primarily consist of compensation related payments and are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

AHS is a related party with respect to those entities consolidated or included on a modified equity basis in the consolidated financial statements of the Province of Alberta. Entities consolidated or included on a modified equity basis have been grouped with their respective ministry and transactions between AHS and the other ministries are recorded at their exchange amount as follows:

	Revenues ^(a)		Expenses	
	2023	2022 (Restated ^(b))	2023	2022
Alberta Advanced Education ^(c)	\$ 59,994	\$ 54,214	\$ 181,312	\$ 191,646
Alberta Infrastructure ^(d)	289,460	235,899	17,310	314
Alberta Mental Health and Addiction ^(e)	90,695	79,957	-	-
Other ministries	29,113	23,791	33,112	76,418
Total for the year	\$ 469,262	\$ 393,861	\$ 231,734	\$ 268,378

	Receivable from		Payable to	
	2023	2022 (Restated ^(b))	2023	2022 (Restated ^(b))
Alberta Advanced Education ^(c)	\$ 7,597	\$ 4,983	\$ 45,006	\$ 38,066
Alberta Infrastructure ^(d)	67,236	62,504	1,000	23,550
Alberta Mental Health and Addiction ^(e)	22,641	21,899	-	205
Other ministries ^(f)	3,635	8,078	437,593	458,768
Balance, end of year	\$ 101,109	\$ 97,464	\$ 483,599	\$ 520,589

- (a) Revenues with Province of Alberta ministries include other government transfers of \$433,722 (2022 – \$364,457), (Note 4), other income of \$31,307 (2022 – \$24,646) (Note 6), and fees and charges of \$4,233 (2022 – \$4,758).
- (b) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.
- (c) Most of AHS' transactions with Alberta 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 transactions reported are a result of funding provided from one to the other and recoveries of shared costs.

Note 23 Related Parties (continued)

- (d) The transactions with AI relate to the construction of tangible capital assets on behalf of AHS. These transactions include operating transfers of \$99,542 (2022 – \$66,983) and recognition of expended deferred capital revenue of \$189,918 (2022 – \$168,916) 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 19(a) is tangible capital assets constructed by AI on behalf of AHS of \$262,429 (2022 – \$425,337).
- (e) The transactions with Alberta Mental Health and Addiction relate to initiatives to support Albertans experiencing addiction and mental health challenges.
- (f) The payable transactions with other ministries include the debt payable to TBF (Note 17 (a)).

At March 31, 2023, AHS has recorded deferred revenue from other ministries within the Province of Alberta, excluding AH, of \$96,218 (2022 – \$99,860) related to unexpended deferred operating revenue (Note 14), \$8,442 (2022 – \$4,535) related to unexpended deferred capital revenue (Note 15) and \$7,705,605 (2022 – \$7,440,223) related to expended deferred capital revenue (Note 16(a)).

Contingent liabilities in which AHS has been jointly named with other government entities within the Province of Alberta are disclosed in Note 22.

Note 24 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.

	2023	2022
Financial assets (portfolio investments, accounts receivable, other assets)	\$ 67,995	\$ 63,639
Liabilities (trade accounts payable, unexpended deferred operating revenue)	67,995	63,639
Accumulated surplus	\$ -	\$ -
Total revenues	\$ 263,082	\$ 260,700
Total expenses	263,082	260,700
Annual surplus	\$ -	\$ -

Note 25 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 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.

The HBTA's balances as at March 31 are as follows:

	2023	2022
Financial assets	\$ 125,630	\$ 113,003
Liabilities	34,644	31,927
Net financial assets	90,986	81,076
Non-financial assets	5	4
Net assets	\$ 90,991	\$ 81,080

AHS has included in prepaid expenses \$59,712 (2022 – \$49,749) representing in substance a prepayment of future premiums to the HBTA. For the fiscal year ended March 31, 2023, AHS paid premiums of \$552,232 (2022 – \$494,645) which is approximately 98% (2022 – 98%) of the total premiums received by the HBTA.

Note 25 Trusts under Administration (continued)**(b) Other Trust Funds**

AHS holds 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, 2023, the balance of funds held in trust by AHS for research and development is \$100 (2022 – \$100).

AHS holds funds in trust from continuing care residents for personal expenses. As at March 31, 2023, the balance of these funds is \$1,855 (2022 – \$1,832). 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, 2023, there are \$26,547 in plan assets (2022 – \$29,429). These amounts are not included in the consolidated financial statements.

Note 26 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 AHS.

AHS' revenues, as reported on the Consolidated 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) Continuing care

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

(b) Community care

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

(c) Home care

Home care is comprised of home nursing and support.

(d) Acute care

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

(e) Emergency medical services

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

Note 26 Segment Disclosure (continued)**(f) Diagnostic and therapeutic services**

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

(g) Population and public health

Population and public health is comprised primarily of health promotion, disease and injury prevention, and health protection. This segment also includes immunizations, traveler's health clinics, screening programs, and disease surveillance. This segment excludes activities associated with treatment of communicable diseases.

(h) Research and education

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

(i) Information technology

Information technology is comprised of costs pertaining to the provision of service and consultation in the design, development, implementation of technology services and systems.

(j) 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, infection control, food services, and emergency preparedness.

(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, quality assurance, patient safety, insurance, privacy, public relations, risk management, internal audit, and legal.

Note 27 Impact of COVID-19 Pandemic

Included within the consolidated statement of operations are incremental expenses of \$1,097,744 (2022 - \$1,621,619) associated with AHS' pandemic response and recovery activities. AHS has recorded \$1,096,062 (2022 - \$1,606,515) of revenue to partially offset these expenses. In addition, AHS has recognized \$2,681 (2022 - \$71,003) of revenue related to lost fees and charges.

Note 28 Corresponding Amounts

Certain other corresponding amounts have been reclassified to conform to 2023 presentation. See Schedule 4 for a detailed disclosure of the reclassifications.

Note 29 Subsequent Events

In early May, wildfires seriously affected many communities across the province. In response, AHS has evacuated some of its impacted facilities. Preparation for re-entry in some of the communities is underway including restoring AHS health care facilities for service. AHS continues to closely monitor the wildfires. Overall, as the response is on-going, the related financial impacts of the wildfires cannot be reliably estimated at this time.

Note 30 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Official Administrator on June 1, 2023 and submitted to the Minister for approval.

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

	2023		2022
	Budget (Note 3)	Actual	Actual (Restated – Schedule 4)
Salaries and benefits	\$ 8,707,260	\$ 9,139,165	\$ 9,136,225
Contracts with health service providers	3,181,900	3,328,374	3,210,555
Contracts under the Health Facilities Act	22,500	28,587	27,695
Drugs and gases	680,600	679,210	651,495
Medical supplies	593,700	828,438	747,809
Other contracted services	1,415,508	1,533,975	1,476,530
Other ^(a)	1,397,000	1,612,387	1,640,772
Amortization and loss on disposals/write-downs of tangible capital assets (Note 19)	499,000	514,897	476,786
	\$ 16,497,468	\$ 17,665,033	\$ 17,367,867
(a) Significant amounts included in Other are:			
Equipment expense	278,200	272,979	253,690
Housekeeping, laundry and linen, staff wearing apparel, plant maintenance and biomedical engineering supplies ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 85,100	\$ 222,813	\$ 378,838
Utilities	164,300	209,283	163,234
Building and ground expenses	122,700	164,886	134,362
Building rent	136,000	128,547	133,268
Food and dietary supplies	82,400	86,604	75,929
Minor equipment purchases	70,000	75,540	75,498
Office supplies	67,000	68,685	67,017
Fundraising and grants awarded	52,000	56,600	50,573
Insurance and liability claims	48,000	35,860	31,383
Travel	37,500	35,486	30,011
Telecommunications	37,400	30,936	32,520
Licenses, fees and memberships	30,600	27,390	28,310
Education	12,000	11,802	9,389
Other	173,800	184,976	176,750
	\$ 1,397,000	\$ 1,612,387	\$ 1,640,772

⁽ⁱ⁾ Includes PPE, such as procedural masks, N95s, gowns, face shields and goggles, as well as other COVID-19 supplies such as hand sanitizers, disinfecting wipes and other cleaning supplies.

⁽ⁱⁱ⁾ The easing of health restrictions has reduced the demand for masks and rapid test kits while the resolution of global shortages for personal protective equipment (PPEs) has reduced its costs. As a result, a valuation adjustment of \$71,419 (2022 – \$109,034) has been recorded to write down the cost of PPEs to its current replacement cost and to provide for inventories that no longer meet clinical standards and requirements (Note 7).

SCHEDULE 2 - SCHEDULES OF REMUNERATION AND BENEFITS FOR THE YEAR ENDED MARCH 31

SCHEDULE 2A – OFFICIAL ADMINISTRATOR/OFFICIAL ADMINISTRATOR COMMITTEES REMUNERATION FOR THE YEAR ENDED MARCH 31, 2023

	Term	2023 Committees	2023 Remuneration	2022 Remuneration
Official Administrator				
Dr. John Cowell	Since Nov 17, 2022	OAAC, CSC	\$ 267	\$ -
Official Administrator Committee Participants^(f)				
Tara Lockyer	Since Nov 24, 2022	OAAC, CSC	4	-
Gregory Turnbull	Since Nov 24, 2022	OAAC, CSC	4	-
Gord Winkel	Since Nov 24, 2022	OAAC, CSC	4	-
Total Official Administrator/Official Administrator Committee			\$ 279	\$ -

Dr. John Cowell was appointed to the position of Official Administrator effective November 17, 2022 per Ministerial Order 319/2022.

Official administrator committees were established by the Official Administrator to aid in governing AHS and overseeing the management of AHS' business and affairs. Official administrator committee participants are eligible to receive honoraria for meetings attended.

Committee legend: OAAC = Official Administrator Advisory Committee, CSC = CEO Selection Committee

SCHEDULE 2B – FORMER BOARD REMUNERATION FOR THE YEAR ENDED MARCH 31, 2023

	Term	2023 Committees	2023 Remuneration	2022 Remuneration
Former Board Chairs^(g)				
Gregory Turnbull	Dec 8, 2021 to Nov 17, 2022	AOC, ARC, CEC, CSC, FC, GC, HRC, QSC	\$ 43	\$ 22
David Weyant	Aug 20, 2019 to Dec 7, 2021	-	-	45
Former Board Members				
Dr. Sayeh Zielke (Vice Chair)	Sep 28, 2020 to Nov 17, 2022	ARC, CEC, CSC, FC, HRC, QSC (Chair)	31	49
Deborah Apps	Jan 19, 2021 to Oct 7, 2022	CEC, CSC, FC, HRC, QSC	18	32
David Carpenter	Nov 27, 2015 to Jun 1, 2021	-	-	8
Tony Dagnone	Jan 19, 2021 to Nov 17, 2022	CSC, FC, HRC, QSC	21	32
Sherri Fountain	Jan 19, 2021 to Nov 17, 2022	AOC, CSC, FC, GC (Chair), HRC	23	35
Hartley Harris	Aug 9, 2021 to Nov 17, 2022	AOC, CSC, FC, GC, HRC	21	20
Tara Lockyer	Aug 17, 2022 to Nov 17, 2022	CEC, FC, HRC	7	-
Stephen Mandel	Sep 25, 2019 to Sep 27, 2021	-	-	18
Jack Mintz	Jun 3, 2021 to Nov 17, 2022	ARC (Chair), FC, GC	17	26
Heidi Overguard	Sep 25, 2019 to Nov 17, 2022	AOC, CEC, CSC, FC, GC, HRC (Chair), QSC	23	36
Natalia Reiman	Jan 19, 2021 to Nov 17, 2022	ARC, CEC, FC, GC	18	33
Brian Vaasjo	Aug 20, 2019 to Nov 17, 2022	AOC (Chair), ARC, CSC, FC (Chair), GC	19	35
Glenda Yeates	Nov 27, 2015 to Jun 1, 2021	-	-	6
Vicki Yellow Old Woman	Sep 28, 2020 to Nov 17, 2022	ARC, CEC (Chair), FC, GC, HRC	19	36
Former Board Committee Participants^(h,i)				
Dr. William Ghali	Oct 1, 2021 to Nov 17, 2022	QSC	1	2
Irv Kipnes	Apr 9, 2021 to Dec 3, 2021	-	-	3
Stephen Livergant	Apr 9, 2021 to Sep 15, 2022	AOC	-	2
Dr. Brian Postl	Jan 1, 2018 to Jul 2, 2021	-	-	1
Gord Winkel	Nov 27, 2015 to Nov 17, 2022	QSC	1	3
Total Former Board			\$ 262	\$ 444

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

Committee legend: AOC = Asset Optimization Committee, ARC = Audit and Risk Committee, CEC = Community Engagement Committee, CSC = CEO Selection Committee, FC = Finance Committee, GC = Governance Committee, HRC = Human Resources Committee, QSC = Quality and Safety Committee

SCHEDULE 2C - EXECUTIVE REMUNERATION AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2023

For the Current Fiscal Year	2023						
	FTE (a)	Base Salary (b,k)	Other Cash Benefits (c)	Other Non- Cash Benefits (d)	Subtotal	Severance (e)	Total
Board/Official Administrator Direct Reports							
President and Chief Executive Officer ^(k,z)	0.99	\$ 490	\$ 13	\$ 143	\$ 646	\$ -	\$ 646
President and Chief Executive Officer ^(l,aa)	0.01	4	-	4	8	660	668
Chief Audit Executive ^(m,z)	1.00	291	1	45	337	-	337
Official Administrator Advisor/ Provisional Lead, Emergency Medical Services ^(n,bb)	0.37	139	-	57	196	-	196
CEO Direct Reports							
VP and Chief Operating Officer, Clinical Operations ^(z)	1.00	389	-	51	440	-	440
VP and Medical Director, Clinical Operations ^(z)	0.90	415	22	110	547	-	547
VP, Quality and Chief Medical Officer ^(o,z)	1.00	477	-	59	536	-	536
VP, People, Health Professions and Information Technology ^(p,z)	1.00	365	1	81	447	-	447
Interim VP, Cancer Care Alberta and Clinical Support Services ^(q,z)	0.98	255	3	63	321	-	321
VP, Cancer Care Alberta and Clinical Support Services ^(k,z)	0.01	4	-	1	5	-	5
Interim VP, Provincial Clinical Excellence ^(r,cc)	0.83	454	6	34	494	-	494
VP, Provincial Clinical Excellence ^(s)	0.08	24	5	5	34	-	34
VP and Medical Director, Cancer Care Alberta, Clinical Support Services and Provincial Clinical Excellence ^(t,u,dd)	0.62	288	20	29	337	-	337
Chief Program Officer, Addictions and Mental Health and Correctional Health Services ^(v,z)	0.79	242	-	57	299	-	299
VP, Community Engagement and Communications ^(z)	1.00	356	-	88	444	-	444
VP, Corporate Services and Chief Financial Officer ^(z)	1.00	412	3	78	493	-	493
General Counsel ^(w,z)	1.00	257	3	41	301	-	301
Total Executive	12.58	\$ 4,862	\$ 77	\$ 946	\$ 5,885	\$ 660	\$ 6,545
Management Reporting to CEO Direct Reports	56.91	\$ 13,828	\$ 459	\$ 1,608	\$ 15,895	\$ 457	\$ 16,352

**SCHEDULE 2C - EXECUTIVE REMUNERATION AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2023
(CONTINUED)**

For the Prior Fiscal Year	2022						
	FTE (a)	Base Salary (b,k)	Other Cash Benefits (c)	Other Non- Cash Benefits (d)	Subtotal	Severance (e)	Total
Board Direct Reports							
President and Chief Executive Officer	1.00	\$ 574	\$ -	\$ 117	\$ 691	\$ -	\$ 691
Chief Audit Executive	1.00	277	1	34	312	-	312
CEO Direct Reports							
VP and Chief Operating Officer, Clinical Operations	1.00	370	-	72	442	-	442
VP and Medical Director, Clinical Operations ^(x)	0.51	229	11	58	298	-	298
VP and Medical Director, Clinical Operations ^(y)	0.37	147	-	18	165	-	165
VP, Quality and Chief Medical Officer	1.00	464	-	48	512	-	512
VP, People, Health Professions and Information Technology	1.00	330	1	40	371	-	371
VP, Cancer Care Alberta and Clinical Support Services	1.00	330	-	66	396	-	396
VP, Provincial Clinical Excellence	1.00	289	13	48	350	-	350
VP and Medical Director, Cancer Care Alberta, Clinical Support Services and Provincial Clinical Excellence	1.00	450	32	46	528	-	528
VP, Community Engagement and Communications	1.00	330	-	79	409	-	409
VP, Corporate Services and Chief Financial Officer	1.00	400	1	88	489	-	489
General Counsel	1.00	255	4	65	324	-	324
Total Executive	11.88	\$ 4,445	\$ 63	\$ 779	\$ 5,287	\$ -	\$ 5,287
Management Reporting to CEO Direct Reports	54.24	\$ 13,023	\$ 520	\$ 2,011	\$ 15,554	\$ 221	\$ 15,775

SCHEDULE 2D - 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 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 Schedule 2C 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/Official Administrator or President and Chief Executive Officer during the current fiscal year are disclosed.

	2023			2022		Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2022	Change During the Year ⁽⁴⁾	Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2023
	SPP	SERP						
	Current Period Benefit Costs ⁽¹⁾	Other Costs ⁽²⁾	Total	Total				
President and Chief Executive Officer/ VP, Cancer Care Alberta and Clinical Support Services	\$ 36	\$ -	\$ 36	\$ 17	\$ 197	\$ 20	\$ 217	
President and Chief Executive Officer	-	-	-	47	336	(336)	-	
Chief Audit Executive	12	-	12	11	164	(5)	159	
Official Administrator Advisor/ Provisional Lead, Emergency Medical Services ^(cc)	-	-	-	-	-	-	-	
VP and Chief Operating Officer, Clinical Operations								
SERP	-	(42)	(42)	(20)	671	(111)	560	
SPP	23	-	23	22	290	17	307	
VP and Medical Director, Clinical Operations	29	-	29	25	134	18	152	
VP, Quality and Chief Medical Officer	34	-	34	34	458	11	469	
VP, People, Health Professions and Information Technology	21	-	21	17	266	(1)	265	
Interim VP, Cancer Care Alberta and Clinical Support Services	8	-	8	2	44	4	48	
Interim VP, Provincial Clinical Excellence ^(cc)	-	-	-	-	-	-	-	
VP, Provincial Clinical Excellence	-	-	-	-	-	-	-	
VP and Medical Director, Cancer Care Alberta, Clinical Support Services and Provincial Clinical Excellence ^(dd)	-	-	-	-	-	-	-	
Chief Program Officer, Addictions and Mental Health and Correctional Health Services	13	-	13	13	221	(10)	211	
VP, Community Engagement and Communications	20	-	20	17	215	5	220	
VP, Corporate Services and Chief Financial Officer	26	-	26	26	46	28	74	
General Counsel	8	-	8	8	94	(3)	91	

(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 plan's 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 SCHEDULES OF REMUNERATION AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2023

Definitions

- a. For this schedule, full time equivalents (FTE) are determined by actual hours earned divided by 2,022.75 annual base hours.
- b. Base salary is regular salary and includes all payments earned related to actual hours earned other than those reported as other cash benefits.
- c. Other cash benefits include, as applicable, honoraria, acting pay, membership fees, and lump sum payments. 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 Schedule 2D
 - 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, 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.

Official Administrator, Former Board and their respective committees

- f. These individuals are participants of the Official Administrator committees, but are not AHS employees.
- g. The former Board Chairs were Ex-Officio member on all former Board committees.
- h. These individuals were participants of former Board committees, but are not former Board members or AHS employees.
- i. Participation by these individuals on former Board committees ceased on November 17, 2022.

Executive

- j. Base salary reported for executives are the actual payments earned during the year, and is therefore contingent on the number of AHS' work days in the year. For the year ended March 31, 2023, the number of work days at AHS was 261 (2022 – 261 work days).
- k. The incumbent held the position of Vice President, Cancer Care Alberta and Clinical Support Services until April 4, 2022 at which time the incumbent was appointed to Interim President and Chief Executive Officer. The incumbent held the position of Interim President and Chief Executive Officer until March 20, 2023 at which time the incumbent was appointed to President and Chief Executive Officer. In addition, the incumbent received a vacation payout of \$29 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 was engaged in an employment agreement with AHS while on leave of absence from the University of Alberta. The incumbent held the position until April 4, 2022, at which time the incumbent left AHS. The incumbent received salary and other accrued entitlements to the date of departure, followed by a lump sum severance of \$660. In addition, the incumbent received a vacation payout of \$147 for unused accrued vacation at the time of departure; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.
- m. The incumbent received vacation payouts totaling \$27 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.
- n. The incumbent was appointed to an advisory role to the Official Administrator effective November 17, 2022. Effective January 30, 2023, the incumbent took on the additional role and duties of Provisional Lead, Emergency Medical Services. The incumbent is on temporary secondment from the Government of Alberta, and AHS reimburses the Government of Alberta for the incumbent's base salary and benefits.
- o. The incumbent received a vacation payout of \$37 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.
- p. The incumbent received vacation payouts totaling \$21 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.
- q. The incumbent held the position of Senior Operating Officer, Pharmacy Services until April 7, 2022 at which time the incumbent was appointed to Interim Vice President, Cancer Care Alberta and Clinical Support Services and became a direct report to the President and Chief Executive Officer.

FOOTNOTES TO THE SCHEDULES OF REMUNERATION AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2023 (CONTINUED)

- r. The incumbent held the position of Associate Chief Medical Officer, Strategic Clinical Networks until June 2, 2022 at which time the incumbent was appointed to Interim Vice President, Provincial Clinical Excellence and became a direct report to the President and Chief Executive Officer. The incumbent is a participant in the Alberta Academic Medicine and Health Services Program (South Sector), and their remuneration is as per the terms of that agreement. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Calgary, and AHS reimburses the University for the incumbent's base salary and benefits.
- s. The incumbent was on secondment from the University of Alberta until April 30, 2022, at which time the secondment agreement ended. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Alberta, and AHS reimbursed 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.
- t. The incumbent was appointed to the position of Interim Chief Medical Officer of Health for the Government of Alberta on a temporary basis effective November 14, 2022. During this temporary appointment, the incumbent is on leave from all duties at AHS and ceases to be a direct report to the President and Chief Executive Officer at AHS. During this tenure, the Government of Alberta will reimburse AHS for the incumbent's remuneration.
- u. 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.
- v. The incumbent held the position of Senior Program Officer, Enhancing Care in the Community until June 20, 2022 at which time the incumbent was appointed to Chief Program Officer, Addictions and Mental Health and Correctional Health Services and became a direct report to the President and Chief Operating Officer.
- w. The incumbent received vacation payouts totaling \$35 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.
- x. The incumbent held the position of Zone Medical Director, Calgary Zone until September 7, 2021 at which time the incumbent was appointed to Vice President and Medical Director, Clinical Operations and became a direct report to the President and Chief Executive Officer.
- y. The incumbent held the position until August 13, 2021 at which time the incumbent left AHS.

Termination Obligations

- z. The incumbent's termination benefits have not been predetermined.
- aa. Based on the provision of the applicable SPP, the following outlines the benefits received by the incumbent who terminated employment with AHS within the 2022-23 fiscal period. As a result of this termination, the incumbent is entitled to the benefits accrued to them up to the date of termination. For participants of SPP, the benefit includes the account balances as at March 31, 2022 and the current period benefit costs and investment gains or losses related to the account that were incurred during the current year.

Supplemental Plan	Supplemental Plan Commencement Date	Benefit (not in thousands)	Frequency	Payment Terms
SPP	June 3, 2016	\$336,756	Once	June 2022

- bb. There is no severance associated with the temporary position.
- cc. There is no severance associated with the Alberta Academic Medicine and Health Services Program (South Sector).
- dd. 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

	2023								
	Salaries and benefits	Contracts with health service providers	Contracts under the Health Facilities Act	Drugs and gases	Medical supplies	Other contracted services	Other	Amortization and loss on disposals/write-downs of tangible capital assets	Total
Continuing care	\$ 328,893	\$ 975,288	\$ -	\$ 7,711	\$ 9,567	\$ 35,968	\$ 21,563	\$ 2,504	\$ 1,381,494
Community care	835,405	925,158	-	15,238	5,156	47,831	59,167	449	1,888,404
Home care	350,859	275,690	-	198	11,290	81,146	20,920	49	740,152
Acute care	3,169,349	427,606	28,587	617,230	427,485	657,759	197,273	69,661	5,594,950
Emergency medical services	325,073	207,542	-	2,855	5,570	3,032	42,150	13,254	599,476
Diagnostic and therapeutic services	1,617,433	288,896	-	24,932	229,445	325,160	105,588	54,248	2,645,702
Population and public health	393,365	21,732	-	6,898	90,858	17,126	58,913	324	589,216
Research and education	190,860	3,182	-	91	1,097	121,689	24,812	66	341,797
Information technology	350,583	1,644	-	-	(31)	43,605	214,845	138,439	749,085
Support services	1,208,134	166,678	-	4,037	47,215	156,836	828,509	228,022	2,639,431
Administration	369,211	34,958	-	20	786	43,823	38,647	7,881	495,326
Total	\$ 9,139,165	\$ 3,328,374	\$ 28,587	\$ 679,210	\$ 828,438	\$ 1,533,975	\$ 1,612,387	\$ 514,897	\$ 17,665,033

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

	2022								
	Salaries and benefits	Contracts with health service providers	Contracts under the Health Facilities Act	Drugs and gases	Medical supplies	Other contracted services	Other	Amortization and loss on disposals/write-downs of tangible capital assets ^(a)	Total (Restated)
Continuing care	\$ 331,304	\$ 957,042	\$ -	\$ 7,482	\$ 8,808	\$ 21,345	\$ 28,545	\$ 2,600	\$ 1,357,126
Community care	790,868	861,783	-	14,310	4,643	62,097	69,490	705	1,803,896
Home care	345,575	241,528	-	192	11,306	89,492	21,538	84	709,715
Acute care	3,106,056	434,549	27,695	593,905	374,673	562,321	181,195	63,541	5,343,935
Emergency medical services	322,248	169,603	-	2,600	5,469	2,505	39,074	16,221	557,720
Diagnostic and therapeutic services	1,638,491	322,681	-	26,366	256,530	338,966	119,709	54,850	2,757,593
Population and public health	587,502	25,323	-	5,068	73,958	65,299	119,027	280	876,457
Research and education	186,288	3,021	-	79	1,182	123,751	36,662	123	351,106
Information technology	315,783	18,244	-	-	37	32,215	187,367	120,568	674,214
Support services ^(a)	1,152,500	162,770	-	1,480	10,816	145,495	800,712	215,400	2,489,173
Administration	359,610	14,011	-	13	387	33,044	37,453	2,414	446,932
Total	\$ 9,136,225	\$ 3,210,555	\$ 27,695	\$ 651,495	\$ 747,809	\$ 1,476,530	\$ 1,640,772	\$ 476,786	\$ 17,367,867

(a) Support services and Amortization and loss on disposals / write-downs of tangible capital assets are restated for the year ended March 31, 2022 to reflect the adoption of PS 3280 – Asset Retirement Obligations as discussed in Note 2(m).

SCHEDULE 4 – CONSOLIDATED SCHEDULE OF ADJUSTMENTS**Reconciliation of the Prior Year Comparative for the Consolidated Statement of Operations
FOR THE YEAR ENDED MARCH 31, 2022**

	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	Ministry of Mental Health and Addiction Reclassification ^(a)	Other Reclassifications ^(b)	2022 Restated
Revenues:					
Alberta Health transfers					
Base operating	\$ 13,097,557	\$ -	\$ -	\$ -	\$ 13,097,557
One-time base operating	71,003	-	-	-	71,003
Other operating	2,859,669	-	(79,816)	-	2,779,853
Recognition of expended deferred capital revenue	95,777	-	(141)	-	95,636
Other government transfers	382,887	-	79,957	-	462,844
Fees and charges	478,313	-	-	-	478,313
Ancillary operations	91,369	-	-	-	91,369
Donations, fundraising, and non-government contributions	185,893	-	-	-	185,893
Investment and other income	236,292	-	-	-	236,292
TOTAL REVENUES	17,498,760	-	-	-	17,498,760
Expenses:					
Continuing care	1,357,126	-	-	-	1,357,126
Community care	1,731,760	-	-	72,136	1,803,896
Home care	709,715	-	-	-	709,715
Acute care	5,423,320	-	-	(79,385)	5,343,935
Emergency medical services	557,720	-	-	-	557,720
Diagnostic and therapeutic services	2,757,593	-	-	-	2,757,593
Population and public health	876,457	-	-	-	876,457
Research and education	351,106	-	-	-	351,106
Information technology	677,737	-	-	(3,523)	674,214
Support services	2,447,719	11,602	-	29,852	2,489,173
Administration	466,012	-	-	(19,080)	446,932
TOTAL EXPENSES	17,356,265	11,602	-	-	17,367,867
ANNUAL OPERATING SURPLUS	142,495	(11,602)	-	-	130,893
Accumulated surplus, beginning of year	1,236,273	(330,009)	-	-	906,264
Accumulated surplus, end of year	\$ 1,378,768	\$ (341,611)	\$ -	\$ -	\$ 1,037,157

- (a) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated statement of operations for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.
- (b) Shows the effect of all Management Information Systems (MIS) related reclassification adjustments to align with Canadian Institute for Health Information MIS standards.

SCHEDULE 4 – CONSOLIDATED SCHEDULE OF ADJUSTMENTS CONTINUED

Reconciliation of the Prior Year Comparative for the Consolidated Schedule of Expenses by Object FOR THE YEAR ENDED MARCH 31, 2022			
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Salaries and benefits	\$ 9,136,225	\$ -	\$ 9,136,225
Contracts with health service providers	3,210,555	-	3,210,555
Contracts under the Health Facilities Act	27,695	-	27,695
Drugs and gases	651,495	-	651,495
Medical supplies	747,809	-	747,809
Other contracted services	1,476,530	-	1,476,530
Other ^(a)	1,640,772	-	1,640,772
Amortization and loss on disposals/write-downs of tangible capital assets	465,184	11,602	476,786
	\$ 17,356,265	\$ 11,602	\$ 17,367,867
(a) Significant amounts included in Other are:			
Housekeeping, laundry and linen, staff wearing apparel, plant maintenance and biomedical engineering supplies	\$ 378,838	\$ -	\$ 378,838
Equipment expense	253,690	-	253,690
Utilities	163,234	-	163,234
Building and ground expenses	134,362	-	134,362
Building rent	133,268	-	133,268
Food and dietary supplies	75,929	-	75,929
Minor equipment purchases	75,498	-	75,498
Office supplies	67,017	-	67,017
Fundraising and grants awarded	50,573	-	50,573
Telecommunications	32,520	-	32,520
Insurance and liability claims	31,383	-	31,383
Travel	30,011	-	30,011
Licenses, fees and memberships	28,310	-	28,310
Education	9,389	-	9,389
Other	176,750	-	176,750
	\$ 1,640,772	\$ -	\$ 1,640,772

SCHEDULE 4 – CONSOLIDATED SCHEDULE OF ADJUSTMENTS CONTINUED

Reconciliation of the Prior Year Comparative for the Consolidated Statement of Financial Position AS AT MARCH 31			
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Financial Assets:			
Cash and cash equivalents	\$ 200,691	\$ -	\$ 200,691
Portfolio investments	2,603,605	-	2,603,605
Accounts receivable	594,429	-	594,429
	3,398,725	-	3,398,725
Liabilities:			
Accounts payable and accrued liabilities	1,951,855	-	1,951,855
Employee future benefits	777,878	-	777,878
Unexpended deferred operating revenue	529,707	-	529,707
Unexpended deferred capital revenue	149,516	-	149,516
Debt	454,993	-	454,993
Asset retirement obligations	-	544,416	544,416
	3,863,949	544,416	4,408,365
NET DEBT	(465,224)	(544,416)	(1,009,640)
Non-Financial Assets:			
Tangible capital assets ^(a)	9,795,230	202,805	9,998,035
Inventories of supplies	513,019	-	513,019
Prepaid expenses, deposits, and other non-financial assets	176,570	-	176,570
	10,484,819	202,805	10,687,624
NET ASSETS BEFORE EXPENDED DEFERRED REVENUE	10,019,595	(341,611)	9,677,984
Expended deferred revenue	8,615,941	-	8,615,941
NET ASSETS	1,403,654	(341,611)	1,062,043
Net Assets is comprised of:			
Accumulated surplus	1,378,768	(341,611)	1,037,157
Accumulated remeasurement gains	24,886	-	24,886
	\$ 1,403,654	\$ (341,611)	\$ 1,062,043

(a) Breakdown of Tangible Capital Assets:

	Net Book Value		
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Facilities and improvements	\$ 6,061,640	\$ 201,676	\$ 6,263,316
Work in progress	1,934,048	-	1,934,048
Equipment	632,734	-	632,734
Information systems	550,688	-	550,688
Building service equipment	403,306	1,129	404,435
Land ^(b)	117,804	-	117,804
Leased facilities and improvements	57,378	-	57,378
Land improvements	37,632	-	37,632
	\$ 9,795,230	\$ 202,805	\$ 9,998,035

SCHEDULE 4 – CONSOLIDATED SCHEDULE OF ADJUSTMENTS CONTINUED

Reconciliation of the Prior Year Comparative for the Consolidated Statement of Change in Net Debt YEAR ENDED MARCH 31			
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Annual operating surplus	\$ 142,495	\$ (11,602)	\$ 130,893
Effect of changes in tangible capital assets:			
Acquisition of tangible capital assets:			
Purchased	(463,646)	-	(463,646)
Leased	(15,646)	-	(15,646)
Constructed by Alberta Infrastructure on behalf of AHS	(425,337)	-	(425,337)
Contributed	(522)	-	(522)
Capitalized asset retirement costs	-	(9,811)	(9,811)
Amortization and loss on disposals/write-downs of tangible capital assets	465,184	11,602	476,786
Effect of other changes:			
Net increase in expended deferred capital revenue	452,077	-	452,077
Net (decrease) increase in expended deferred operating revenue	(90,473)	-	(90,473)
Net (increase) decrease in inventories of supplies	50,909	-	50,909
Net (increase) decrease in prepaid expenses, deposits and other non-financial assets	32,796	-	32,796
Net remeasurement gains (losses) for the year	(30,891)	-	(30,891)
(Increase) decrease in net debt for the year	116,946	(9,811)	107,135
Net debt, beginning of year	(582,170)	(534,605)	(1,116,775)
Net debt, end of year	\$ (465,224)	\$ (544,416)	\$ (1,009,640)

SCHEDULE 4 – CONSOLIDATED SCHEDULE OF ADJUSTMENTS CONTINUED

Reconciliation of the Prior Year Comparative for the Consolidated Statement of Cash Flows			
YEAR ENDED MARCH 31			
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Operating transactions:			
Annual operating surplus	\$ 142,495	\$ (11,602)	\$ 130,893
Non-cash items:			
Amortization and loss on disposals/write-downs of tangible capital assets	465,184	11,602	476,786
Revenue recognized for acquisition of land	(987)	-	(987)
Recognition of expensed deferred capital revenue	(298,774)	-	(298,774)
Recognition of expensed deferred operating revenue	(453,686)	-	(453,686)
Gain on disposal of portfolio investments	(36,100)	-	(36,100)
Change in employee future benefits	17,092	-	17,092
Decrease (increase) in:			
Accounts receivable related to operating transactions	70,986	-	70,986
Inventories of supplies	50,909	-	50,909
Prepaid expenses, deposits, and other non-financial assets	32,796	-	32,796
Increase (decrease) in:			
Accounts payable and accrued liabilities	35,567	-	35,567
Unexpended deferred operating revenue	(111,762)	-	(111,762)
Asset retirement obligations	-	-	-
Cash applied to operating transactions	(86,280)	-	(86,280)
Capital transactions:			
Purchased tangible capital assets	(463,646)		(463,646)
Cash applied to capital transactions	(463,646)		(463,646)
Investing transactions:			
Purchase of portfolio investments	(3,806,735)	-	(3,806,735)
Proceeds on disposals of portfolio investments	3,439,408	-	3,439,408
Cash applied to investing transactions	(367,327)	-	(367,327)
Financing transactions:			
Restricted operating contributions received	363,213	-	363,213
Restricted capital contributions received	310,803	-	310,803
Unexpended deferred capital revenue returned	(419)	-	(419)
Proceeds from debt	26,000	-	26,000
Principal payments on debt	(26,666)	-	(26,666)
Payments on obligations under capital leases	(30,642)	-	(30,642)
Net repayment of life lease deposits	(1,493)	-	(1,493)
Cash provided by financing transactions	640,796	-	640,796
Decrease in cash and cash equivalents	(276,457)	-	(276,457)
Cash and cash equivalents, beginning of year	477,148	-	477,148
Cash and cash equivalents, end of year	\$ 200,691	\$ -	\$ 200,691