

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

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Independent Auditor's Report

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements for the year ended March 31, 2025 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.

The Official Administrator meets with management and the Auditor General of Alberta to review financial matters, and approves the consolidated financial statements upon finalization of the audit. The Auditor General of Alberta has free access to the Official Administrator.

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]

Andre Tremblay
Interim President and Chief Executive Officer
Alberta Health Services

[Original signed by]

Emily Ma
Interim Vice President and Chief
Financial Officer
Alberta Health Services

June 2, 2025

To the Official Administrator of Alberta Health Services, the Minister of Primary and Preventative Health Services, and the Minister of Hospital and Surgical 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, 2025, 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, 2025, 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.

Emphasis of matter

I draw attention to Note 1, Note 3 and Note 30 of the consolidated financial statements, which describes the authority, purpose and operations, restructuring, and subsequent events of the Group. My opinion is not modified in respect of this matter.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the audit work performed for purposes 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 2, 2025
Edmonton, Alberta

CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31			
	2025		2024
	Budget (Note 4) (Schedule 4)	Actual	Actual (Note 29)
Revenues:			
Alberta Health transfers			
Base operating	\$ 14,602,924	\$ 14,562,674	\$ 15,138,434
One-time base operating	-	362,916	286,083
Other operating	1,653,528	1,640,502	1,681,469
Recognition of expended deferred capital revenue	102,100	110,130	106,297
Other government transfers (Note 5)	1,652,176	910,784	558,891
Fees and charges	621,000	667,747	625,668
Ancillary operations	92,700	95,426	87,178
Donations and non-government contributions (Note 6)	170,900	203,410	213,382
Investment and other income (Note 7)	248,700	550,210	330,376
TOTAL REVENUES	19,144,028	19,103,799	19,027,778
Expenses:			
Continuing care	1,425,800	1,484,701	1,375,360
Community care	2,132,200	1,667,596	1,983,628
Home care	930,200	959,280	843,709
Acute care	6,081,528	6,208,453	6,084,875
Emergency medical services	735,400	709,763	665,954
Diagnostic and therapeutic services	2,956,600	3,038,465	2,932,784
Population and public health	420,900	431,697	439,173
Research and education	378,400	375,341	352,707
Information technology	804,300	813,626	793,775
Support services (Note 8)	2,713,800	2,764,742	2,798,372
Administration (Note 9)	564,900	576,314	573,810
Net effect of restructuring transaction (Note 3(a))	-	2,761	-
TOTAL EXPENSES	19,144,028	19,032,739	18,844,147
ANNUAL OPERATING SURPLUS	-	71,060	183,631
Accumulated surplus, beginning of year	1,304,458	1,304,458	1,120,827
Accumulated surplus, end of year (Note 23)	\$ 1,304,458	\$ 1,375,518	\$ 1,304,458

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31		
	2025	2024
	Actual	Actual
Financial Assets:		
Cash and cash equivalents	\$ 526,238	\$ 243,462
Portfolio investments (Note 11)	2,677,619	2,587,692
Accounts receivable (Note 12)	979,173	755,525
	4,183,030	3,586,679
Liabilities:		
Accounts payable and accrued liabilities (Note 14)	2,633,239	1,855,955
Employee future benefits (Note 15)	742,757	818,539
Unexpended deferred operating revenue (Note 16)	532,642	697,922
Unexpended deferred capital revenue (Note 17)	253,901	214,072
Debt (Note 19)	375,587	415,813
Asset retirement obligations (Note 20)	635,463	539,421
	5,173,589	4,541,722
NET DEBT	(990,559)	(955,043)
Non-Financial Assets:		
Tangible capital assets (Note 21)	10,761,267	10,467,655
Inventories of supplies (Note 22)	189,437	197,169
Prepaid expenses, deposits, and other non-financial assets	397,629	355,181
	11,348,333	11,020,005
NET ASSETS BEFORE EXPENDED DEFERRED CAPITAL REVENUE	10,357,774	10,064,962
Expended deferred capital revenue (Note 18)	8,912,554	8,696,431
NET ASSETS	1,445,220	1,368,531
Net Assets is comprised of:		
Accumulated surplus (Note 23)	1,375,518	1,304,458
Accumulated remeasurement gains	69,702	64,073
	\$ 1,445,220	\$ 1,368,531

Contractual Rights (Note 13)

Contractual Obligations, Contingent Liabilities and Other Matters (Note 24)

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

Approved by:

[Original signed by]

Andre Tremblay
Official Administrator
Alberta Health Services

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT YEAR ENDED MARCH 31			
	2025		2024
	Budget (Note 4)	Actual	Actual
Annual operating surplus	\$ -	\$ 71,060	\$ 183,631
Effect of changes in tangible capital assets:			
Acquisition of tangible capital assets:			
Purchased	(407,100)	(487,388)	(452,501)
Purchased as part of DynaLIFEDX asset purchase	-	-	(71,760)
Leased	(22,000)	(15,185)	(37,753)
Constructed by Alberta Infrastructure on behalf of AHS	(302,000)	(258,231)	(198,774)
Contributed by others	-	-	(24)
Revision to asset retirement cost estimates	-	(101,256)	41,773
Amortization and loss on disposals/write-downs of tangible capital assets	561,900	563,648	555,033
Transferred as a result of restructuring (Note 3(a))	-	4,800	-
Effect of other changes:			
Net increase in expended deferred capital revenue	105,500	218,468	170,966
Net decrease in expended deferred operating revenue	-	-	(116,636)
Net decrease in inventories of supplies	-	7,732	118,442
Net (increase) decrease in prepaid expenses, deposits and other non-financial assets	49,000	(59,629)	(118,968)
Net increase in other non-financial assets due to DynaLIFEDX asset purchase	-	-	(12,845)
Net decrease in other non-financial assets and expended deferred capital revenue due to restructuring (Note 3(a))	-	14,836	-
Net remeasurement gains for the year	20,000	5,629	43,803
Decrease (increase) in net debt for the year	5,300	(35,516)	104,387
Net debt, beginning of year	(955,043)	(955,043)	(1,059,430)
Net debt, end of year	\$ (949,743)	\$ (990,559)	\$ (955,043)

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

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES YEAR ENDED MARCH 31		
	2025	2024
	Actual	Actual
Unrestricted unrealized (losses) gains attributable to:		
Derivatives	\$ (4,643)	\$ 586
Portfolio investments		
Quoted in an active market	(360)	6,600
Designated at fair value	58,408	35,815
Amounts reclassified to the Consolidated Statement of Operations:		
Derivatives	(1,369)	(998)
Portfolio investments		
Quoted in an active market	(6,086)	-
Designated at fair value	(40,321)	1,800
Net remeasurement gains for the year	5,629	43,803
Accumulated remeasurement gains, beginning of year	64,073	20,270
Accumulated remeasurement gains, end of year (Note 11)	\$ 69,702	\$ 64,073

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

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31		
	2025	2024
	Actual	Actual
Operating transactions:		
Annual operating surplus	\$ 71,060	\$ 183,631
Non-cash items:		
Amortization and loss on disposals/write-downs of tangible capital assets	563,648	555,033
Revenue recognized for acquisition of land	(168)	-
Recognition of expended deferred capital revenue	(365,803)	(355,407)
Recognition of expended deferred operating revenue	-	(116,636)
Gain on disposal of portfolio investments	(74,048)	(13,736)
Change in employee future benefits	(2,007)	24,268
Net effect of restructuring transaction	2,761	-
(Increase) decrease in:		
Cash transferred due to restructuring (Note 3(a))	(53,284)	-
Accounts receivable related to operating transactions	(235,140)	(14,564)
Inventories of supplies	7,732	118,442
Prepaid expenses, deposits, and other non-financial assets	(59,629)	(118,968)
Increase (decrease) in:		
Accounts payable and accrued liabilities	669,650	23,669
Unexpended deferred operating revenue	(29,954)	115,570
Asset retirement obligations	(5,214)	(1,978)
Cash provided by operating transactions	489,604	399,324
Capital transactions:		
Purchased tangible capital assets	(487,388)	(452,501)
DynaLIFEDX purchase consideration net of cash acquired	-	(29,388)
Cash applied to capital transactions	(487,388)	(481,889)
Investing transactions:		
Purchase of portfolio investments	(6,658,023)	(5,284,617)
Proceeds on disposals of portfolio investments	6,634,834	4,948,882
Cash applied to investing transactions	(23,189)	(335,735)
Financing transactions:		
Restricted capital contributions received	372,924	367,372
Unexpended deferred capital revenue returned	(6,887)	(3,626)
Proceeds from debt	-	20,000
Principal payments on debt	(40,226)	(38,275)
Payments on obligations under capital leases	(22,422)	(17,745)
Net receipt (repayment) of life lease deposits	360	(613)
Cash provided by financing transactions	303,749	327,113
Increase (decrease) in cash and cash equivalents	282,776	(91,187)
Cash and cash equivalents, beginning of year	243,462	334,649
Cash and cash equivalents, end of year	\$ 526,238	\$ 243,462

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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. AHS is currently undergoing a significant restructuring which aligns with the *Provincial Health Agencies Act* (Alberta) (PHA Act). According to the PHA Act, the restructuring establishes four sector-based provincial health agencies: Acute Care Alberta (ACA), Primary Care Alberta (PCA), Assisted Living Alberta (ALA), and Recovery Alberta. As a result, through a ministerial order, all powers, duties, responsibilities or functions will be transferred from AHS to the newly established provincial health agencies, provincial health corporations, or other successors. Pursuant to *Ministerial Order 800/2024*, on completion of the transfers, AHS will be wound up as a regional health authority. In accordance with the *Alberta Health Services Provincial Health Corporation Regulation* (Alberta), the entity Alberta Health Services Provincial Health Corporation (PHC) was established on June 1, 2025, for the purposes of delivering health services in the acute care health services sector. This new PHC is accountable to Acute Care Alberta.

To date, provincial health agencies for the mental health and addiction, primary care, and acute care sectors have been established. Recovery Alberta, the provincial health agency responsible for the mental health and addiction sector, was legally established on July 1, 2024, became operational on September 1, 2024, and is accountable to the Minister of Mental Health and Addiction. PCA, the provincial health agency responsible for the primary care sector, was established on November 18, 2024, became operational on February 1, 2025, and is accountable to the Minister of Health. ACA, the provincial health agency responsible for the acute care sector was established on February 1, 2025, and became operational on April 1, 2025. Matters pertaining to restructuring transactions occurring in the current year are discussed further in Note 3. Matters pertaining to restructuring transactions occurring subsequent to year end are discussed further in Note 30.

Pursuant to Section 5 of the *Regional Health Authorities Act* (Alberta) and prior to the effective date of the *Provincial Health Agencies Act* on June 21, 2024, AHS was 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.

Pursuant to Section 5 of the *Provincial Health Agencies Act* (Alberta), effective June 21, 2024, 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;
- support that reasonable access to quality health services is provided and;
- promote the delivery of health services in a manner that is responsive to the needs of individuals and communities and supports the integration of services and facilities.

AHS is accountable to the Minister of Health (the Minister). The responsibilities under section 5 of the PHA Act do not apply to AHS with respect to health services that have been transferred by ministerial order to one or more provincial health agencies or other successor. Additionally, AHS has entered into a Transition Services Framework Agreement with each operational PHA to provide clinical and corporate support services.

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.
- Capital Care 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:

The largest foundations controlled by AHS are the Alberta Cancer Foundation and the Calgary Health Foundation. AHS also controls 33 other foundations that 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 healthcare 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, 2024. Significant transactions occurring between this date and March 31, 2025 have been recorded in these consolidated financial statements.

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

(ii) Government Partnerships

AHS proportionately consolidates 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 26). Additionally, AHS proportionately consolidated its 50% ownership interests in 39 (2024 – 39) Primary Care Network (PCN) partnerships with physician groups up until February 1, 2025.

AHS had 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. Effective February 1, 2025, due to the restructuring, AHS' 50% ownership interests in the 39 PCNs has been transferred to PCA, and AHS is no longer named as a partner (Note 3(a)).

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

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(iii) Trusts under Administration**

These consolidated financial statements do not include trusts administered on behalf of others (Note 27).

(iv) Other

AHS contracts with various voluntary and private health service providers to provide certain 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

All revenues are recorded on an accrual basis, except when the accrual cannot be determined within a reasonable degree of certainty or when estimation is impracticable. Revenues from transactions with performance obligations are recognized when AHS provides the promised goods and/or services to a payor. Revenue from transactions with no performance obligations are recognized at their realizable value when AHS has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset. 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 when 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 (Note 16), unexpended deferred capital revenue (Note 17), and expended deferred capital revenue (Note 18). The term deferred revenue in these consolidated financial statements refers to the components of deferred revenue as described.

(ii) Donations and Non-Government Contributions

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

Unrestricted donations, 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, non-government contributions, and, if applicable, 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.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

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.

Endowment contributions are recognized in the Consolidated Statement of Operations in the period in which they are received or receivable.

(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 considered revenue arising from exchange transactions with performance obligations. These 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 (excluding gains or losses from restricted transfers, endowments, 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 including endowments 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.

Amortized cost is the amount at which a financial instrument asset or a financial instrument liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

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 relative reliability of information used to measure the fair value is disclosed in Note 11.

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 respectively. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the Consolidated Statement of Remeasurement Gains and Losses until realized, at which time the gains or losses are recognized in the Consolidated Statement of Operations.

Contractual obligations are evaluated for the existence of embedded derivatives. 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. 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.

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.

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) Accounts receivable**

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

(g) 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.

(h) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization, 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.

Note 2 Significant Accounting Policies and Reporting Practices (continued)**(i) 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, both of 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 the consolidated financial statements is comprised of the employer contributions that AHS is required to pay for participating 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 benefit obligations.

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, 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, sick leave accumulation and utilization, 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.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

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.

(j) 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 on a straight-line basis over the estimated useful life of the underlying tangible capital asset (Note 2(h)). 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.

(k) 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.

(l) Reserves

Certain amounts, as approved by the Official Administrator, 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, Foundations and Health Benefit Trust of Alberta.

(m) 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.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Measurement uncertainty exists in the fair values reported for portfolio investments designated to the fair value hierarchy (see Note 11). The fair values of these investments are based on estimates. Estimated fair values may not reflect amounts that could be recognized upon immediate sale or amounts that ultimately may be recognized.

The amount recorded for amortization of tangible capital assets is based on the estimated useful life of the related assets while the recognition of expended deferred capital revenue depends on when the terms for the use of the funding are met and, when applicable, AHS complies with its communicated use of the funding. The amounts recorded for 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.

(n) Future Accounting Changes

On April 1, 2026, AHS will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- **The Conceptual Framework for Financial Reporting in the Public Sector**
The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- **PS 1202 Financial Statement Presentation**
Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the standard on the AHS consolidated financial statements.

Note 3 Restructuring

In accordance with the Government of Alberta's ministerial orders related to the restructuring of AHS, all responsibilities, the oversight and coordination of the delivery of mental health and addiction services, along with certain related assets, liabilities and funding agreements, were transferred from AHS to provincial health agency Recovery Alberta effective September 1, 2024. Similarly, effective February 1, 2025, AHS transferred all responsibilities, the oversight and coordination of the delivery of primary care services, along with certain related assets, liabilities and funding agreements to the provincial health agency PCA. AHS, Recovery Alberta, and PCA are accountable to their respective Ministries within Government of Alberta. AHS did not provide or receive any compensation related to this transfer.

The two remaining provincial health agencies for the acute care and continuing care sectors will become operational after March 31, 2025 (Note 30).

Note 3 Restructuring (continued)**(a) Assets and liabilities**

Assets and liabilities were transferred based on a methodology approved by the Minister of Health, which involved transferring an integrated set of assets and liabilities that support mental health and addictions operations for Recovery Alberta and primary care operations for PCA. AHS has signed agreements with Recovery Alberta and PCA for the transfer of these assets and liabilities. AHS is providing cash management services, including investment and portfolio oversight, therefore cash-settled assets and liabilities are shown in the 'Net due from AHS' line below.

The assets and liabilities were transferred at their carrying amounts as follows:

	Recovery Alberta September 1, 2024	Primary Care Alberta February 1, 2025 ⁽ⁱ⁾	Total
Financial assets:			
Cash and cash equivalents	\$ 27	\$ 53,257	\$ 53,284
Portfolio investments	-	2,574	2,574
Accounts receivable	8,830	2,662	11,492
Net due from AHS	190,825	23,269	214,094
	199,682	81,762	281,444
Liabilities:			
Accounts payable and accrued liabilities	75,227	24,356	99,583
Employee future benefits	64,718	9,058	73,776
Unexpended deferred operating revenue	66,786	58,174	124,960
	206,731	91,588	298,319
NET DEBT	(7,049)	(9,826)	(16,875)
Non-financial assets:			
Tangible capital assets ⁽ⁱⁱ⁾	4,738	62	4,800
Prepaid expenses, deposits, and other non-financial assets	5,278	11,903	17,181
	10,016	11,965	21,981
NET ASSETS BEFORE EXPENDED DEFERRED CAPITAL REVENUE	2,967	2,139	5,106
Expended deferred capital revenue	2,288	57	2,345
Net effect of restructuring	\$ 679	\$ 2,082	\$ 2,761

(i) PCA amounts include 50% ownership in the PCN partnership with physician groups which includes total financial assets of \$57,238, liabilities of \$68,189 and non-financial assets of \$10,951.

(ii) The tangible capital assets transferred to Recovery Alberta and PCA include vehicle leases and equipment with a net book value of \$4,738 (cost of \$18,203 and accumulated amortization of \$13,465) and \$62 (cost of \$1,281 and accumulated amortization of \$1,219) respectively. No real property was transferred to Recovery Alberta or PCA as the properties will be transferring to Alberta Infrastructure effective April 1, 2025 (Note 30).

The restructuring-related costs incurred were attributable to severance costs and were recognized as salaries and benefits expense in the statement of operations. The financial impact of these costs was insignificant.

Note 3 Restructuring (continued)

The related sector contractual obligations were also transferred to Recovery Alberta and PCA. Contracts transferred to Recovery Alberta amounting to \$262,703 were related to the continuum of mental health and addiction services and supports, from prevention and intervention to treatment and recovery. Contracts transferred to PCA amounted to \$23,635 mainly related to midwifery services.

Recovery Alberta and PCA have each signed a Transition Services Framework Agreement and a Cooperation Agreement with AHS. Together, these agreements will govern the relationship between AHS and the two provincial health agencies throughout the transition. Under the Transition Services Framework Agreement, AHS provides clinical and corporate support services including but not limited to nutrition, food, linen & environmental services, capital management, information technology, protective services, pharmacy services, human resources, financial operations, APL services, and health information management.

(b) Revenue and expenses

The revenues and expenses for mental health and addictions and primary care operations, included in the Statement of Operations before transferring responsibilities to Recovery Alberta on September 1, 2024, and PCA on February 1, 2025, are as follows:

	Mental health and addictions 5 months ended August 31, 2024	Primary care 10 months ended January 31, 2025	Mental health and addictions 12 months ended March 31, 2024	Primary care 12 months ended March 31, 2024
Revenues:				
Alberta Health transfers				
Base operating	\$ -	\$ 92,872	\$ 990,104	\$ 106,437
Other operating	284	106,560	1,055	124,735
Recognition of expended deferred capital revenue	115	1	281	2
Other government transfers	470,863	7,244	108,962	8,131
Fees and charges	1,397	3,546	5,805	4,040
Donations and non-government contributions	2,010	3	5,318	-
Investment and other income	7,594	4,460	16,468	8,312
TOTAL REVENUES	482,263	214,686	1,127,993	251,657
Expenses by function:				
Continuing care	1,818	-	4,351	-
Community care	275,973	202,252	634,581	236,868
Acute care	170,067	3,794	389,392	4,469
Diagnostic and therapeutic services	31,849	1,304	72,498	1,417
Population and public health	2,194	269	5,963	406
Research and education	1,026	-	2,547	-
Information technology	283	65	511	-
Support services	5,687	1,567	12,945	1,568
Administration	2,945	7,503	5,205	6,929
TOTAL EXPENSES	491,842	216,754	1,127,993	251,657
NET OPERATING DEFICIT	(9,579)	(2,068)	-	-

Note 3 Restructuring (continued)

	Mental health and addictions 5 months ended August 31, 2024	Primary care 10 months ended January 31, 2025	Mental health and addictions 12 months ended March 31, 2024	Primary care 12 months ended March 31, 2024
Expenses by object:				
Salaries and benefits	\$ 376,717	\$ 167,931	\$ 856,453	\$ 188,441
Contracts with health service providers	97,858	25,892	226,283	29,092
Drugs and gases	5,346	91	11,919	167
Medical supplies	938	172	1,751	175
Other contracted services	4,155	1,907	14,196	1,808
Other	6,520	20,745	15,842	31,963
Amortization and loss on disposals/write-downs of tangible capital assets	308	16	1,549	11
	491,842	216,754	1,127,993	251,657

Note 4 Budget

The 2024-25 original annual budget was approved by the former AHS Board on March 28, 2024 for submission to the Minister who approved it on June 24, 2024. The restated annual budget, resulting from the restructuring of AHS (Note 1) was approved by the former AHS Board on January 27, 2025 and submitted to the Minister. A reconciliation from the original to the restated annual budget has been provided in the Consolidated Schedule of the Revised Budget (Schedule 4).

Note 5 Other Government Transfers

	Budget (Note 4)	2025	2024 (Note 29)
Recognition of expended deferred capital revenue (Note 18)	\$ 234,200	\$ 222,678	\$ 216,354
Restricted operating (Note 16(a))	255,338	234,567	282,222
Unrestricted operating	1,162,638	453,539	60,315
	\$ 1,652,176	\$ 910,784	\$ 558,891

Other government transfers include \$897,739 (2024 – \$523,929) (Note 25) transferred from the Province of Alberta, \$13,045 (2024 – \$34,962) 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 6 Donations and Non-Government Contributions

	Budget (Note 4)	2025	2024
Recognition of expended deferred capital revenue (Note 18)	\$ 33,500	\$ 32,995	\$ 34,252
Restricted operating (Note 16(a))	136,200	147,036	139,182
Unrestricted operating	1,200	18,732	12,167
Endowment contributions (Note 23)	-	4,647	27,781
	\$ 170,900	\$ 203,410	\$ 213,382

Note 7 Investment and Other Income

	Budget (Note 4)	2025	2024
Investment income	\$ 78,600	\$ 176,531	\$ 118,227
Other income:			
AH	10,525	24,976	11,507
Other Province of Alberta Ministries (Note 25)	26,000	184,252	29,791
Other ⁽ⁱ⁾	133,575	164,451	170,851
	\$ 248,700	\$ 550,210	\$ 330,376

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

Note 8 Support Services

	Budget (Note 4)	2025	2024
Facilities operations	\$ 1,104,300	\$ 980,945	\$ 1,070,364
Patient health records, food services, and transportation	517,100	516,153	513,793
Housekeeping, laundry, and linen	258,300	265,727	264,093
Materials management	253,000	214,042	233,350
Support services expense of full-spectrum contracted health service providers	179,500	200,641	182,462
Ancillary operations	63,100	60,676	61,412
Fundraising expenses and grants awarded	53,800	62,085	53,310
Other ⁽ⁱ⁾	284,700	464,473	419,588
	\$ 2,713,800	\$ 2,764,742	\$ 2,798,372

⁽ⁱ⁾ Other includes valuation adjustments of \$588 (2024 – \$78,997). The prior year valuation adjustment was due to reduced demand for inventories purchased to support public health emergencies in previous years (Note 22).

Note 9 Administration

	Budget (Note 4)	2025	2024
General administration	\$ 259,900	\$ 261,283	\$ 276,775
Human resources	154,500	154,777	143,236
Finance	85,900	80,472	80,422
Communications	26,300	26,307	28,038
Administration expense of full-spectrum contracted health service providers	38,300	53,475	45,339
	\$ 564,900	\$ 576,314	\$ 573,810

Note 10 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.

Note 10 Financial Risk Management (continued)

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 3.72% (2024 – 3.70%) increase or decrease, with all other variables held constant, the portfolio could expect an increase or decrease in unrealized net gains and losses of \$99,607 (2024 – \$95,745).

(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 \$54,607 or 2.02% of total portfolio investments (2024 – \$53,723 or 2.06%).

(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.

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 \$72,416 (2024 – \$62,499).

Interest bearing securities have the following average maturity structure:

	2025	2024
Less than one year	31%	33%
1 – 5 years	49%	49%
6 – 10 years	13%	10%
Over 10 years	7%	8%

	Average Effective Market Yield	
Asset Class	2025	2024
Money market instruments	2.81%	5.06%
Fixed income securities	3.13%	4.41%

Note 10 Financial Risk Management (continued)**(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, 2025, investments in non-Canadian equities represented 12.9% (2024 – 11.6%) 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, 2025, AHS held derivatives in the form of forward contracts for future settlement of \$22,000 (2024 – \$18,000). The fair value of these forward contracts as at March 31, 2025 was \$1,139 (2024 – \$434) and is included in portfolio investments (Note 11).

(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 bylaws 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.

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	2025	2024
AAA	56%	58%
AA	15%	10%
A	14%	17%
BBB	11%	11%
Unrated	4%	4%
	100%	100%

Note 10 Financial Risk Management (continued)**(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 19(b).

AHS issued debentures and the committed repayments with respect to these debentures are described in Note 19(c). The following are contractual maturities of the remaining financial liabilities as at March 31, 2025, 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	\$ 1,326,452	\$ -	\$ -
Trade accounts payable and accrued liabilities	979,321	-	-
Other liabilities	6,873	13,323	4,413
	\$ 2,312,646	\$ 13,323	\$ 4,413

Note 11 Portfolio Investments

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Cash held for investing purposes	\$ 89,207	\$ 89,207	\$ 131,690	\$ 131,690
Interest bearing securities:				
Money market securities	597,429	595,809	614,641	614,636
Fixed income securities	1,444,907	1,438,535	1,304,133	1,326,783
	2,042,336	2,034,344	1,918,774	1,941,419
Equities:				
Canadian equity investments and funds	162,401	147,878	199,709	181,927
Global equity investments and funds	344,898	302,168	299,807	224,040
	507,299	450,046	499,516	405,967
Real estate pooled funds	38,777	31,069	37,712	30,926
	\$ 2,677,619	\$ 2,604,666	\$ 2,587,692	\$ 2,510,002

	2025	2024
Items at fair value		
Portfolio investments designated to the fair value category	\$ 2,683,197	\$ 2,509,350
Portfolio investments in equity instruments that are quoted in an active market	-	77,908
Derivative (liability) asset, net	(5,578)	434
	\$ 2,677,619	\$ 2,587,692

As at March 31, 2025, included in portfolio investments is \$186,071 (2024 – \$188,142) 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 \$109,920 (2024 – \$105,273) (Note 23).

Note 11 Portfolio Investments (continued)

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

	2025	2024
Accumulated remeasurement gains	\$ 69,702	\$ 64,073
Restricted unrealized net gains attributable to unexpended deferred operating revenue (Note 16(b))	3,251	13,617
	\$ 72,953	\$ 77,690

Fair Value Hierarchy

The relative reliability of data or inputs used to measure the fair value is determined based on the following fair value hierarchy:

- 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.

	2025			
	Level 1	Level 2	Level 3	Total
Cash held for investing purposes	\$ -	\$ 89,207	\$ -	\$ 89,207
Interest bearing securities:				
Money market securities	-	597,429	-	597,429
Fixed income securities	-	1,386,625	58,282	1,444,907
Equities:				
Canadian equity investments and funds	-	162,401	-	162,401
Global equity investments and funds	-	344,898	-	344,898
Real estate pooled funds	-	-	38,777	38,777
	\$ -	\$ 2,580,560	\$ 97,059	\$ 2,677,619
Percent of total	0%	96%	4%	100%

	2024			
	Level 1	Level 2	Level 3	Total
Cash held for investing purposes	\$ -	\$ 131,690	\$ -	\$ 131,690
Interest bearing securities:				
Money market securities	-	614,641	-	614,641
Fixed income securities	-	1,252,966	51,167	1,304,133
Equities:				
Canadian equity investments and funds	77,908	121,801	-	199,709
Global equity investments and funds	-	299,807	-	299,807
Real estate pooled funds	-	-	37,712	37,712
	\$ 77,908	\$ 2,420,905	\$ 88,879	\$ 2,587,692
Percent of total	3%	94%	3%	100%

Note 11 Portfolio Investments (continued)**Reconciliation of Investments classified as level 3**

	2025		
	Fixed income securities	Real estate pooled funds	Total
Beginning of year	\$ 51,167	\$ 37,712	\$ 88,879
Purchases	1,735	-	1,735
Sales	(1,126)	-	(1,126)
Realized loss	(27)	-	(27)
Gain included in the Consolidated Statement of Remeasurement Gains and Losses	2,012	922	2,934
Transfers in ⁽ⁱ⁾	4,521	143	4,664
End of year	\$ 58,282	\$ 38,777	\$ 97,059

	2024		
	Fixed income securities	Real estate pooled funds	Total
Beginning of year	\$ 51,325	\$ 48,690	\$ 100,015
Purchases	2,015	-	2,015
Sales	(333)	(11,129)	(11,462)
Realized (loss) gain	(21)	1,684	1,663
Gain (loss) included in the Consolidated Statement of Remeasurement Gains and Losses	595	(1,533)	(938)
Transfers out ⁽ⁱ⁾	(2,414)	-	(2,414)
End of year	\$ 51,167	\$ 37,712	\$ 88,879

⁽ⁱ⁾ Transfers are attributable to changes in the observability of market data.

Note 12 Accounts Receivable

	2025			2024
	Gross	Allowance for Doubtful Accounts	Net	Net (Note 29)
AH operating transfers receivable	\$ 371,315	\$ -	\$ 371,315	\$ 129,549
Other capital transfers receivable	99,273	-	99,273	105,534
Patient accounts receivable	171,921	45,782	126,139	116,584
Drugs rebates receivable	148,516	-	148,516	105,960
AH capital transfers receivable	9,755	-	9,755	20,497
Other operating transfers receivable	107,073	-	107,073	89,050
Other accounts receivable	175,817	58,715	117,102	188,351
	\$ 1,083,670	\$ 104,497	\$ 979,173	\$ 755,525

Accounts receivable are unsecured and non-interest bearing. At March 31, 2024, the total allowance for doubtful accounts was \$54,010 of which \$44,350 related to patient accounts receivable.

Note 13 Contractual Rights

Contractual rights are rights of AHS to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

Year ended March 31	Operating leases	Other contracts ⁽ⁱ⁾	Total
2026	\$ 2,424	\$ 297,602	\$ 300,026
2027	2,194	133,551	135,745
2028	1,974	8,594	10,568
2029	1,283	7,819	9,102
2030	1,100	7,625	8,725
Thereafter	1,914	20,344	22,258
March 31, 2025	\$ 10,889	\$ 475,535	\$ 486,424
March 31, 2024	\$ 13,740	\$ 70,585	\$ 84,325

- ⁽ⁱ⁾ Other contracts include the transition services framework agreements with Recovery Alberta and PCA of \$410,215 (2024 - \$nil) (Note 3(a)).

Note 14 Accounts Payable and Accrued Liabilities

	2025	2024
Payroll payable and related accrued liabilities	\$ 1,326,452	\$ 816,482
Trade accounts payable and accrued liabilities	979,321	692,594
Provision for unpaid claims ^(a)	158,285	167,598
Obligations under capital leases ^(b)	134,122	142,882
Other liabilities	35,059	36,399
	\$ 2,633,239	\$ 1,855,955

As at March 31, 2025, accounts payable and accrued liabilities includes payables related to the purchase of tangible capital assets of \$244,166 (2024 – \$237,885). Of these amounts, \$9,526 (2024 – \$9,166) comprise life lease deposits received from tenants of certain AHS' long term care facilities, and obligations under capital leases of \$134,122 (2024 – \$142,882).

- (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.

The provision has been actuarially estimated using the discounted value of claim liabilities using a discount rate of 4.18% (2024 – 4.37%).

- (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 2026 and 2041 and have an implicit interest rate payable ranging from 2.53% to 5.41% (2024 – 2.53% to 5.41%).

Note 14 Accounts Payable and Accrued Liabilities (continued)

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

Year ended March 31	Minimum Contract Payments
2026	\$ 24,336
2027	22,344
2028	18,458
2029	13,550
2030	10,707
Thereafter	62,928
	152,323
Less: interest	(18,201)
	\$ 134,122

Note 15 Employee Future Benefits

	2025	2024
Accrued vacation pay	\$ 621,598	\$ 680,804
Accumulating non-vesting sick leave ^(a)	121,192	137,552
SERP pension plans	(33)	183
	\$ 742,757	\$ 818,539

(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.

	2025	2024
Funded status – deficit	\$ 136,098	\$ 99,365
Unamortized net actuarial (loss) gain	(14,906)	38,187
Accrued benefit liability	\$ 121,192	\$ 137,552

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

	2025	2024
Estimated average remaining service life	13 years	10 years
Draw down rate of accumulated non-vesting sick leave bank	24.10%	18.30%
Discount rate – beginning of year	5.00%	5.60%
Discount rate – end of year	3.63%	5.00%
Rate of compensation increase per year	2024-25	2023-24
	2.00%	2.25%
	2025-26	2024-25
	3.00%	2.00%
	2026-27	2025-26
	3.00%	2.00%
	Thereafter	Thereafter
	2.75%	2.75%

Note 15 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 42% (2024 - 46%) 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, 2023 and these results were then extrapolated to December 31, 2024.

	December 31, 2024	December 31, 2023
LAPP net assets available for benefits	\$ 70,698,830	\$ 63,337,859
LAPP pension obligation	51,141,682	48,281,339
LAPP surplus	\$ 19,557,148	\$ 15,056,520

The 2025 and 2024 LAPP contribution rates are as follows:

Calendar 2025		Calendar 2024	
Employer	Employees	Employer	Employees
8.45% of pensionable earnings up to the YMPE and 11.65% of the excess	7.45% of pensionable earnings up to the YMPE and 10.65% of the excess	8.45% of pensionable earnings up to the YMPE and 11.65% of the excess	7.45% of pensionable earnings up to the YMPE and 10.65% of the excess

(c) Pension Expense

	2025	2024
Local Authorities Pension Plan	\$ 607,841	\$ 521,199
Defined contribution pension plans and group RRSPs	39,116	41,331
Other pension plans	1,645	1,727
	\$ 648,602	\$ 564,257

Note 16 Unexpended Deferred Operating Revenue

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

	2025				2024
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 225,768	\$ 111,259	\$ 360,895	\$ 697,922	\$ 572,628
Adjustment related to Ministry of Seniors, Community, and Social Services ⁽ⁱⁱ⁾	(8,034)	8,034	-	-	-
Balance, beginning of year (reclassified)	217,734	119,293	360,895	697,922	572,628
Received or receivable during the year	1,598,305	168,077	164,831	1,931,213	2,016,146
Unexpended deferred operating revenue returned	(840)	(1,595)	(739)	(3,174)	(10,322)
Restricted investment income	1,567	3,467	26,386	31,420	16,860
Transferred from unexpended deferred capital revenue ⁽ⁱⁱⁱ⁾ (Note 17(a))	8,288	52,282	480	61,050	105,058
Transferred due to restructuring (Note 3(a))	(56,687)	(66,513)	(1,760)	(124,960)	-
Recognized as revenue	(1,640,502)	(234,567)	(147,036)	(2,022,105)	(1,996,431)
Miscellaneous other revenue recognized	(1,567)	(125)	(26,666)	(28,358)	(15,742)
	126,298	40,319	376,391	543,008	688,197
Changes in unrealized net gains attributable to portfolio investments related to endowments and unexpended deferred operating revenue	2,531	190	(13,087)	(10,366)	9,725
Balance, end of year	\$ 128,829	\$ 40,509	\$ 363,304	\$ 532,642	\$ 697,922

- (i) The balance for other government includes \$1,626 (2024 – \$1,879) 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 25).
- (ii) On December 12, 2024, the Premier of Alberta approved the transfer of the continuing care department from the Ministry of Health to the Ministry of Seniors, Community, and Social Services. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2024 to reclassify the related continuing care amount from Alberta Health transfers to other government transfers to conform with 2025 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 16 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:

	2025				2024
	AH	Other Government	Donors and Non-Government	Total	Total (Note 29)
Research and education	\$ 6,667	\$ 1,242	\$ 270,271	\$ 278,180	\$ 283,879
Acute care	49,448	331	42,922	92,701	153,666
Support services	6,670	3,410	43,593	53,673	49,658
Diagnostic and therapeutic services	28,341	1,507	1,264	31,112	23,086
Continuing care	-	24,356	90	24,446	20,246
Emergency medical services	22,341	1,588	348	24,277	21,254
Administration	9,508	1,133	333	10,974	8,436
Population and public health	1,638	1,754	3,103	6,495	15,121
Community care	285	106	1,795	2,186	100,059
Others individually less than \$10,000	2,597	2,739	11	5,347	8,900
	127,495	38,166	363,730	529,391	684,305
Unrealized net gain (loss) attributable to portfolio investments related to endowments and unexpended deferred operating revenue (Note 11)	1,334	2,343	(426)	3,251	13,617
	\$ 128,829	\$ 40,509	\$ 363,304	\$ 532,642	\$ 697,922

Note 17 Unexpended Deferred Capital Revenue

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

	2025				2024
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 110,800	\$ 2,524	\$ 100,748	\$ 214,072	\$ 177,901
Received or receivable during the year	128,930	223,560	82,963	435,453	473,542
Used for acquisition of land	(168)	-	-	(168)	-
Unexpended deferred capital revenue returned	-	-	(6,887)	(6,887)	(3,626)
Transferred to expended deferred capital revenue (Note 18)	(91,399)	(171,381)	(63,260)	(326,040)	(327,575)
Transferred to unexpended deferred operating revenue ⁽ⁱⁱ⁾ (Note 16(a))	(8,288)	(52,282)	(480)	(61,050)	(105,058)
Revenue recognized on settlement of asset retirement obligations (Note 20)	(158)	(945)	(376)	(1,479)	(1,112)
Balance, end of year	\$ 139,717	\$ 1,476	\$ 112,708	\$ 253,901	\$ 214,072

- (i) The balance for other government includes \$32 (2024 - \$nil) of unexpended deferred capital revenue received from government entities outside the Province of Alberta. The remaining balance in other government all relates to the Province of Alberta (Note 25).
- (ii) The transfer is mainly comprised of restricted capital funding of approved expenditures that did not meet the definition of a tangible capital asset.

Note 17 Unexpended Deferred Capital Revenue (continued)

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

	2025				2024
	AH	Other Government	Donors and Non-Government	Total	Total
Equipment	\$ 17,932	\$ 111	\$ 110,999	\$ 129,042	\$ 105,298
Information systems	5,278	-	-	5,278	2,952
Facilities and improvements	116,507	1,365	1,709	119,581	105,822
	\$ 139,717	\$ 1,476	112,708	\$ 253,901	214,072

Note 18 Expended Deferred Capital Revenue

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

	2025				2024
	AH	Other Government ⁽ⁱ⁾	Donors and Non-Government	Total	Total
Balance, beginning of year	\$ 578,509	\$ 7,876,374	\$ 241,548	\$ 8,696,431	\$ 8,525,465
Transferred from unexpended deferred capital revenue (Note 17(a))	91,399	171,381	63,260	326,040	327,575
Constructed tangible capital assets on behalf of AHS	-	258,231	-	258,231	198,774
Contributed tangible capital assets	-	-	-	-	24
Transferred to PHA's due to restructuring (Note 3(a))	(1,303)	(530)	(512)	(2,345)	-
Recognized as revenue	(110,130)	(222,678)	(32,995)	(365,803)	(355,407)
Balance, end of year	\$ 558,475	\$ 8,082,778	\$ 271,301	\$ 8,912,554	\$ 8,696,431

- ⁽ⁱ⁾ The balance includes \$294 (2024 - \$228) of expended deferred capital revenue received from government entities outside of the Province of Alberta. The remaining balance in other government relates to the Province of Alberta (Note 25).

Note 19 Debt

	2025	2024
Debentures ^(a) :		
Parkade loan #1	\$ 6,014	\$ 9,811
Parkade loan #2	8,506	11,658
Parkade loan #3	15,626	19,081
Parkade loan #4	78,885	88,956
Parkade loan #5	20,097	22,331
Parkade loan #6	16,105	17,279
Parkade loan #7	36,452	38,774
Parkade loan #8	147,320	149,397
Parkade loan #9	19,407	20,000
Energy savings initiative loan	12,911	14,887
EMS support vehicle loan	14,264	23,639
	\$ 375,587	\$ 415,813

(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 issued a debenture to TBF relating to EMS support vehicles. AHS has pledged the vehicles as security for this debenture.

AHS is in compliance with all performance requirements relating to its debentures as at March 31, 2025.

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%
Parkade loan #9	March 2044	5.1200%
Energy savings initiative loan	December 2030	2.4160%
EMS support vehicle loan	September 2026	1.1500%

(b) As at March 31, 2025, AHS has access to a \$220,000 (2024 – \$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, 2025, AHS has \$nil (2024 – \$nil) drawn against this facility.

AHS also has access to a \$33,000 (2024 – \$33,000) revolving demand letter of credit facility which may be used to secure AHS' obligations to third parties. At March 31, 2025, AHS has \$3,376 (2024 – \$3,316) 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, 2025.

Note 19 Debt (continued)

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

Year Ended March 31	Principal	Interest	Total
2026	\$ 41,671	\$ 14,090	\$ 55,761
2027	36,274	12,584	48,858
2028	28,904	11,236	40,140
2029	28,302	10,023	38,325
2030	25,125	8,849	33,974
Thereafter	215,311	99,432	314,743
	\$ 375,587	\$ 156,214	\$ 531,801

During the year, the total interest related to debt was \$15,334 (2024 – \$15,788), comprised of capitalized interest of \$1,017 (2024 – \$nil) (Note 21(a)) and interest expense of \$14,317 (2024 – \$15,788). Accrued interest at March 31, 2025 amounted to \$2,520 (2024 – \$2,679).

Note 20 Asset Retirement Obligations

	2025	2024
Asset retirement obligations, beginning of year	\$ 539,421	\$ 583,172
Liability incurred	-	-
Liability settled and adjustments	(5,214)	(1,978)
Revision in estimates (Note 21)	101,256	(41,773)
Asset retirement obligations, end of year	\$ 635,463	\$ 539,421

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. A funding source for this obligation has not been determined.

The timing of settlement of asset retirement obligations is currently unknown. For the year ended March 31, 2025, a recovery of \$3,983 (2024 - \$1,978) was recognized, which includes costs incurred by AI on behalf of AHS of \$2,504 (2024 - \$866) (Note 17(a)).

Note 21 Tangible Capital Assets

Cost	2024	Additions ^(a)	Transfers/ Adjustments ⁽ⁱ⁾	Transfer related to restructuring (Note 3)	Disposals/ Write-downs	2025
Facilities and improvements	\$ 12,983,453	\$ -	\$ 218,486	\$ -	\$ -	\$ 13,201,939
Work in progress	661,491	525,550	(379,102)	-	(8,371)	799,568
Equipment	3,139,882	226,922	(867)	(19,484)	(98,264)	3,248,189
Information systems	2,384,398	8,671	115,330	-	(70,509)	2,437,890
Building service equipment	1,090,744	-	134,534	-	-	1,225,278
Land ^(b)	121,781	168	(960)	-	(64)	120,925
Leased facilities and improvements	373,174	453	2,413	-	(183)	375,857
Land improvements	114,042	-	10,462	-	-	124,504
	\$ 20,868,965	\$ 761,764	\$ 100,296	\$ (19,484)	\$ (177,391)	\$ 21,534,150

Accumulated Amortization	2024	Amortization Expense	Effect of Transfers/ Adjustments ⁽ⁱ⁾	Transfer related to restructuring (Note 3)	Disposals/ Write-downs	2025
Facilities and improvements	\$ 5,151,365	\$ 134,701	\$ -	\$ -	\$ -	\$ 5,286,066
Work in progress	-	-	-	-	-	-
Equipment	2,431,494	170,955	-	(14,684)	(97,339)	2,490,426
Information systems	1,825,309	169,635	-	-	(70,300)	1,924,644
Building service equipment	675,892	58,671	-	-	-	734,563
Land ^(b)	-	-	-	-	-	-
Leased facilities and improvements	234,030	16,170	-	-	(143)	250,057
Land improvements	83,220	3,907	-	-	-	87,127
	\$ 10,401,310	\$ 554,039	\$ -	\$ (14,684)	\$ (167,782)	\$ 10,772,883

Cost	2023	Additions	Transfers/ Adjustments ⁽ⁱ⁾	Disposals/ Write-downs	2024
Facilities and improvements	\$ 12,717,651	\$ -	\$ 267,024	\$ (1,222)	\$ 12,983,453
Work in progress	665,094	506,115	(509,307)	(411)	661,491
Equipment	2,974,510	207,650	(2,001)	(40,277)	3,139,882
Information systems	2,268,704	14,038	108,723	(7,067)	2,384,398
Building service equipment	1,025,874	-	64,883	(13)	1,090,744
Land ^(b)	121,749	32	-	-	121,781
Leased facilities and improvements	317,743	33,000	22,431	-	373,174
Land improvements	107,568	-	6,474	-	114,042
	\$ 20,198,893	\$ 760,835	\$ (41,773)	\$ (48,990)	\$ 20,868,965

Accumulated Amortization	2023	Amortization Expense	Effect of Transfers/ Adjustments	Disposals/ Write-downs	2024
Facilities and improvements	\$ 4,994,290	\$ 158,195	\$ -	\$ (1,120)	\$ 5,151,365
Work in progress	-	-	-	-	-
Equipment	2,298,163	172,250	-	(38,919)	2,431,494
Information systems	1,682,243	150,060	-	(6,994)	1,825,309
Building service equipment	626,105	49,801	-	(14)	675,892
Land ^(b)	-	-	-	-	-
Leased facilities and improvements	214,316	19,714	-	-	234,030
Land improvements	80,127	3,093	-	-	83,220
	\$ 9,895,244	\$ 553,113	\$ -	\$ (47,047)	\$ 10,401,310

⁽ⁱ⁾ Transfers and adjustments mainly relate to reclassifications between capital asset categories and revisions to asset retirement costs of \$101,256 (2024 - \$41,773) (Note 20).

Note 21 Tangible Capital Assets (continued)

	Net Book Value	
	2025	2024
Facilities and improvements	\$ 7,915,873	\$ 7,832,088
Work in progress	799,568	661,491
Equipment	757,763	708,388
Information systems	513,246	559,089
Building service equipment	490,715	414,852
Land ^(b)	120,925	121,781
Leased facilities and improvements	125,800	139,144
Land improvements	37,377	30,822
	\$ 10,761,267	\$ 10,467,655

(a) Additions

Additions include tangible capital assets constructed by AI on behalf of AHS of \$258,231 (2024 – \$198,774) (Note 25) and \$nil (2024 – \$24) contributed from other sources. During the year, AHS capitalized interest of \$1,017 (2024 – \$nil) (Note 19(c)) within work in progress. Capital lease additions amounted to \$15,185 (2024 – \$37,753).

(b) Leased Land

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

Site	Leased from	Lease Expiry
Banff Health Unit	Banff Mineral Spring Hospital Association	January 2028
Evansburg Community Health Centre	Yellowhead County	April 2031
Bethany Care Centre	Red Deer College	April 2034
Myrnam 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
Laneway adjacent to Queen Elizabeth II Hospital	City of Grande Prairie	Under negotiation
Jasper Residential Property	Parks Canada	Under negotiation

(c) Leased Tangible Capital Assets

Tangible capital assets acquired through capital leases includes vehicle leases, equipment, information systems and facilities with a cost of \$594,661 (2024 – \$579,537) and accumulated amortization of \$349,068 (2024 – \$286,709).

(d) Asset Retirement Costs

Facilities and improvements and Building service equipment, include \$639,561 (2024 - \$538,304) of asset retirement costs and \$344,121 (2024 - \$359,135) of related accumulated amortization.

Note 22 Inventories of Supplies

	2025	2024
Pharmaceuticals	\$ 118,324	\$ 106,759
Medical and surgical supplies	42,830	47,395
Other ⁽ⁱ⁾	28,283	43,015
	\$ 189,437	\$ 197,169

- ⁽ⁱ⁾ Other is mainly related to staff wearing apparel such as gowns and masks, housekeeping, and other supplies not included under pharmaceuticals and medical and surgical supplies.

During the year, a valuation adjustment of \$588 (2024 – \$78,997) was recognized. The prior year's valuation adjustment was due to reduced demand for inventories purchased to support public health emergencies in previous years.

Note 23 Accumulated Surplus

Accumulated surplus is comprised of the following:

	2025					2024
	Unrestricted Surplus	Invested in Tangible Capital Assets ^(a)	Endowments ^(b)	Internally Restricted Surplus for Insurance Equity Requirements, Foundations and HBTA ^(c)	Total	Total
Balance, beginning of year	\$ 379,343	\$ 696,347	\$ 105,273	\$ 123,495	\$ 1,304,458	\$ 1,120,827
Annual operating surplus	71,060	-	-	-	71,060	183,631
Net investment in tangible capital assets	6,747	(6,747)	-	-	-	-
Transfer of insurance equity requirements, foundations and HBTA net surplus	(235,275)	-	-	235,275	-	-
Transfer of net surplus related to asset retirement obligations	(20,229)	20,229	-	-	-	-
Transfer of endowment contributions (Note 6)	(4,647)	-	4,647	-	-	-
Balance, end of year	\$ 196,999	\$ 709,829	\$ 109,920	\$ 358,770	\$ 1,375,518	\$ 1,304,458

Note 23 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 to date in accumulated surplus net of related liability settlements.

Reconciliation of invested in tangible capital assets:

	2025	2024
Tangible capital assets (Note 21)	\$ 10,761,267	\$ 10,467,655
Net Book Value of Asset Retirement Costs capitalized (Note 21(d))	(295,440)	(179,169)
Less funded by:		
Expended deferred capital revenue (Note 18)	(8,912,554)	(8,696,431)
Debt (Note 19)	(375,587)	(415,813)
Unexpended debt	15,814	32,405
Obligations under capital leases (Note 14)	(134,122)	(142,882)
Life lease deposits (Note 14)	(9,526)	(9,166)
	\$ 1,049,852	\$ 1,056,599
Asset retirement costs recognized net of related liability settlements	(340,023)	(360,252)
	\$ 709,829	\$ 696,347

(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 \$4,647 (2024 – \$27,781) of net contributions received in the year (Note 6).

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

Insurance equity requirements comprise surpluses of \$17,250 (2024 – \$21,042) related to equity of the LPIP mainly relating to legislative requirements per the Insurance Act. Foundations comprise surpluses amounting to \$119,325 (2024 – \$102,453) related to donations received by AHS' Controlled Foundations without external restrictions attached. Health Benefit Trust of Alberta (HBTA) comprise surpluses of \$222,195 (2024 – \$nil) related to equity representing in substance a prepayment of future premiums to the HBTA.

Note 24 Contractual Obligations, Contingent Liabilities and Other Matters**(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
2026	\$ 3,550,457	\$ 476,012	\$ 64,410	\$ 255,715	\$ 4,346,594
2027	1,414,436	213,797	58,579	51,483	1,738,295
2028	1,648,488	292,260	50,808	24,999	2,016,555
2029	1,090,400	77,159	42,335	21,905	1,231,799
2030	955,709	47,522	35,114	13,644	1,051,989
Thereafter	6,439,438	51,141	141,681	-	6,632,260
March 31, 2025	\$ 15,098,928	\$ 1,157,891	\$ 392,927	\$ 367,746	\$ 17,017,492
March 31, 2024	\$ 16,056,317	\$ 1,071,034	\$ 372,841	\$ 448,478	\$ 17,948,670

- (i) Service obligations mainly relate to contracts with third parties for the provision of long-term care services and home care services.
- (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) 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, 2025, accruals have been recorded as part of the provision for unpaid claims and other liabilities (Note 14). 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 195 legal claims (2024 – 234 claims) related to conditions in existence at March 31, 2025 where the likelihood of the occurrence of a future event confirming a contingent loss is not determinable. Of these, 158 claims have \$623,540 in specified amounts and 37 claims have no specified amounts (2024 – 201 claims with \$706,650 of specified claims and 33 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 18 (2024 – 1) collective agreements that have expired as at March 31, 2025. Given that negotiations are ongoing or have not commenced, no additional disclosures have been made.

(c) Other Matters

Management and external parties are currently conducting various investigations into certain procurement practices. These investigations remain ongoing as of the date of the approval of the financial statements. Management is not aware of any material impacts to the presentation of these financial statements as at the date of approval, as these investigations continue.

Note 25 Related Parties

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

The Minister appoints the Official Administrator. 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, except for provincial health agencies which are disclosed separately, are recorded at their exchange amount as follows:

	Revenues ^(a)		Expenses	
	2025	2024 (Restated) (Note 29)	2025	2024
Alberta Advanced Education ^(b)	\$ 50,493	\$ 57,875	\$ 172,515	\$ 184,077
Alberta Infrastructure ^(c)	282,607	312,158	9,677	12,064
Alberta Mental Health and Addiction ^(d)	483,961	121,779	-	-
Other ministries ^(e)	106,377	64,122	18,462	31,749
Provincial Health Agencies ^(f)	159,304	-	-	-
Total for the year	\$ 1,082,742	\$ 555,934	\$ 200,654	\$ 227,890

	Receivable from		Payable to	
	2025	2024 (Restated) (Note 29)	2025	2024
Alberta Advanced Education ^(b)	\$ 10,287	\$ 11,435	\$ 22,822	\$ 33,399
Alberta Infrastructure ^(c)	63,950	69,725	1,955	6,144
Alberta Mental Health and Addiction ^(d)	-	28,419	-	1,288
Other ministries ^(e)	87,933	47,928	378,173	419,112
Provincial Health Agencies ^(f)	-	-	293,694	-
Balance, end of year	\$ 162,170	\$ 157,507	\$ 696,644	\$ 459,943

- (a) Revenues with Province of Alberta ministries include other government transfers of \$897,739 (2024 – \$523,929), (Note 5), other income of \$184,252 (2024 – \$29,791) (Note 7), and fees and charges of \$751 (2024 – \$2,214). A substantial portion of other income is for the provision of corporate and clinical support service provided to the provincial health agencies under the transition services framework agreement.
- (b) The majority 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 25 Related Parties (continued)

- (c) The transactions with AI relate to the construction of tangible capital assets on behalf of AHS. These transactions include operating transfers of \$61,424 (2024 – \$98,110) and recognition of expended deferred capital revenue of \$221,183 (2024 – \$214,048) 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 21(a) is tangible capital assets constructed by AI on behalf of AHS of \$258,231 (2024 – \$198,774).
- (d) The transactions with Alberta Mental Health and Addiction, up until the operational date of RA, related to initiatives to support Albertans experiencing addiction and mental health challenges. Subsequent to the operational date, it relates to the corporate and clinical support services being provided by AHS.
- (e) The payable transactions with other ministries include the debt payable to TBF (Note 19(a)).
- (f) The transactions with provincial health agencies relate to the services provided by AHS in accordance with the transition services agreements. Under the Transition Services Framework Agreement, AHS provides corporate and clinical support services including but not limited to nutrition, food, linen & environmental services, capital management, information technology, protective services, pharmacy services, human resources, financial operations, APL services and health information management.

At March 31, 2025, AHS has recorded deferred revenue from other ministries within the Province of Alberta, excluding AH, of \$38,883 (2024 – \$117,414) related to unexpended deferred operating revenue (Note 16(a)), \$1,444 (2024 – \$2,524) related to unexpended deferred capital revenue (Note 17(a)) and \$8,082,484 (2024 – \$7,876,146) related to expended deferred capital revenue (Note 18).

Contingent liabilities in which AHS has been jointly named with other government entities within the Province of Alberta are disclosed in Note 24.

Note 26 Government Partnerships

AHS has proportionately consolidated 50% of the results of NACTRC and 33.33% of the results in iRSM. AHS also proportionately consolidated its 50% ownership interests in PCNs up until February 1, 2025. Following the transfer of primary care responsibilities to PCA, effective February 1, 2025, AHS no longer holds any ownership interest in PCN's (Note 2(a)(ii) and Note 3). The following is 100% of the financial position and results of operations for AHS' government partnerships.

	2025	2024
Financial assets (portfolio investments, accounts receivable, other assets)	\$ 1,526	\$ 83,417
Liabilities (trade accounts payable, unexpended deferred operating revenue)	1,526	83,417
Accumulated surplus	\$ -	\$ -
Total revenues	\$ 250,700	\$ 279,160
Total expenses	250,700	279,160
Annual surplus	\$ -	\$ -

Note 27 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 employee life and health 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:

	2025	2024
Financial assets	\$ 365,504	\$ 232,932
Liabilities	209	23,983
Net financial assets	365,295	208,949
Non-financial assets	-	-
Net assets	\$ 365,295	\$ 208,949

AHS has included in prepaid expenses \$222,195 (2024 – \$142,539) representing in substance a prepayment of future premiums to the HBTA. For the fiscal year ended March 31, 2025, AHS paid premiums of \$692,534 (2024 – \$632,746) which is approximately 88% (2024 – 98%) of the total premiums received by the HBTA.

(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 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, 2025, the balance of funds held in trust by AHS for research and development is \$100 (2024 – \$100).

AHS holds funds in trust from continuing care residents for personal expenses. As at March 31, 2025, the balance of these funds is \$3,024 (2024 – \$2,185). 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, 2025, there are \$24,255 in plan assets (2024 – \$25,176). These amounts are not included in the consolidated financial statements.

Note 28 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 homes are comprised of Type A (formerly long-term care), Type B (formerly designated supportive living), Type C (formerly palliative and hospice care), and psychiatric care in facilities operated by AHS and contracted providers.

Note 28 Segment Disclosure (continued)**(b) Community care**

Community care includes Type B (formerly designated supportive living), Type C (formerly palliative and hospice care), and community programs including PCN, 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.

(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, rehabilitation 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, outbreaks, 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 29 Corresponding Amounts

Certain corresponding amounts have been reclassified to conform with 2025 presentation, with the most significant reclass pertaining to the transfer of the continuing care department. On December 12, 2024, the Premier of Alberta approved the transfer of the continuing care department from the Ministry of Health to the Ministry of Seniors, Community and Social Services. As a result, the statement of operations and the accounts receivable note for the year ending March 31, 2024, were updated to reflect this change. Specifically, \$30,966 was reclassified from AH transfers to other government transfers in the statement of operations, and \$39,000 from AH operating transfers receivable to other operating transfers receivable within accounts receivable (Note 12), to align with the 2025 presentation.

Note 30 Subsequent Events

On November 8, 2023, the Premier of Alberta announced the restructuring of AHS, resulting in the creation of four new agencies focusing on primary care, acute care, continuing care and mental health and addiction. As of March 31, 2025, two agencies, Recovery Alberta and PCA, are operational (Note 3).

The provincial health agency responsible for acute care, ACA, was established on February 1, 2025 and became operational on April 1, 2025. ACA is accountable to the Ministry of Health. On the effective date of April 1, 2025, AHS transferred all of the powers, duties, responsibilities, and functions of AHS necessary for ACA to fulfil its responsibility for the governance and coordination of acute care health services across Alberta. ACA will continue to engage AHS as a service provider to deliver the acute care services until the Minister of Health transfers these acute care services to the new AHS PHC. The full financial effect of the restructuring, including the full impact on AHS assets, liabilities and operations is currently unknown.

The provincial health agency responsible for the continuing care sector, ALA, was established on April 1, 2025, and is expected to be operational by fall 2025. ALA is accountable to the Alberta Ministry of Seniors, Community and Social Services. The full financial effect of the restructuring, including the impact on AHS assets, liabilities and operations is currently unknown.

The *Alberta Health Services Provincial Health Corporation Regulation, Alberta Regulation 213/2024* came into effect June 1, 2025. As a result of this regulation, the entity Alberta Health Services PHC was established for the purposes of delivering health services in the acute care health services sector. The operational date and the full financial effect, including the impact on the AHS assets, liabilities and operations is currently unknown.

On October 31, 2024, the Government of Alberta enacted the Real Property Governance Act, 2024 (Alberta), as part of its efforts to centralize the management of public property to enhance accountability and transparency. Under this legislation, all freehold real property owned by AHS was transferred to AI effective April 1, 2025. Any debt associated with the freehold real property transferred to AI remains with AHS, and no amendments have been made to the terms and conditions of this debt at this time. The analysis of the full financial effect, including the impact on the AHS assets, liabilities, and operations is currently underway.

On March 10, 2025, the Government of Alberta announced that the management and oversight of emergency health services, including ground, air, dispatch and interfacility transfers, will transfer from AHS to ACA later this year. Additionally, on April 8, 2025, the Government of Alberta announced that the cancer care and organ tissue services will transfer from AHS to ACA, which will be responsible for overseeing cancer services within the province. The full financial effect, including the impact on AHS assets, liabilities, and operations is currently unknown.

The Government of Alberta also announced that a new shared services entity is expected to be established and become operational in 2025. This entity will provide corporate and support services for all four provincial health agencies, and service providers. The operational date and the full financial effect, including the impact on AHS assets, liabilities and operations is currently unknown.

Note 30 Subsequent Events (continued)

On May 1, 2025, the Government of Alberta introduced Bill 55, the *Health Statutes Amendment Act, 2025*. The bill proposes additional amendments to the *Provincial Health Agencies Act*, the *Public Health Act*, and other related legislation. As disclosed in public statements from the Government of Alberta, these amendments to the legislation will enable key policy shifts to support refocusing efforts, including updating the oversight and governance for health foundations and reorganize the governance and planning for public health services. The full financial effect, including the impact on AHS assets, liabilities and operations is currently unknown.

On May 16, 2025, the Government of Alberta announced that the Ministry of Health has been divided into two new ministries to improve governance and operational focus across the healthcare system. The newly established Ministry of Hospital and Surgical Health Services, responsible for acute care, including emergency medical services, cancer care, organ and tissue donation, capital planning, procurement, and oversight of ACA. The second newly established Ministry of Primary and Preventative Health Services will oversee primary care, public health, Indigenous health, health workforce and colleges regulation, pharmaceutical and supplementary benefits, diagnostic services, and oversight of PCA. Additionally, the Ministry of Seniors, Community and Social Services has been renamed to Assisted Living and Social Services to reflect its expanded responsibility for ALA.

Effective July 1, 2025, approximately 4,365 positions will be transferred from AHS to ALA and PCA. These include certain positions transitioning to ALA to support seniors health and continuing care as well positions transferring to PCA to support parts of public health, aspects of chronic disease management, and some Indigenous wellness. Medical officers of health will also transition to the Ministry of Primary and Preventative Health Services, with additional responsibilities for public health to be transferred to this Ministry in the future. Additionally, three new provincial health corporations have been established: Emergency Health Services PHC, Cancer Care PHC, and Organ and Tissue Donation and Transplantation PHC. These PHCs are expected to be operational later this year.

Note 31 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Official Administrator on June 2, 2025 and submitted to the Ministry of Health.

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

	2025		2024
	Budget (Note 4) (Schedule 4)	Actual	Actual
Salaries and benefits	\$ 9,935,928	\$ 10,069,576	\$ 9,839,465
Contracts with health service providers	3,748,600	3,434,674	3,466,333
Contracts under the Health Facilities Act	77,000	67,497	55,824
Drugs and gases ⁽ⁱ⁾	742,600	768,984	738,881
Medical supplies ⁽ⁱ⁾	731,700	870,581	815,353
Other contracted services	1,664,300	1,679,236	1,688,175
Other ^(a)	1,682,000	1,575,782	1,685,083
Amortization and loss on disposals/write-downs of tangible capital assets (Note 21)	561,900	563,648	555,033
Net effect of restructuring and related transactions (Note 3)	-	2,761	-
	\$ 19,144,028	\$ 19,032,739	\$ 18,844,147
(a) Significant amounts included in Other are:			
Equipment expense	\$ 323,300	\$ 323,441	\$ 295,346
Utilities	194,400	173,487	230,705
Building and ground expenses	174,800	134,365	174,780
Housekeeping, laundry and linen, staff wearing apparel, plant maintenance and biomedical engineering supplies ⁽ⁱ⁾	145,000	123,452	163,538
Building rent	126,000	128,771	125,766
Food and dietary supplies	105,100	94,662	86,029
Fundraising and grants awarded	55,200	77,881	65,734
Insurance and liability claims	47,800	63,662	58,656
Office supplies and courier	54,400	62,735	64,347
Minor equipment purchases	98,100	59,925	103,351
Travel	33,000	39,198	46,165
Telecommunications	37,600	31,790	34,250
Licenses, fees and memberships	24,300	26,717	26,139
Education	15,500	10,663	14,994
Other	247,500	225,033	195,283
	\$ 1,682,000	\$ 1,575,782	\$ 1,685,083

⁽ⁱ⁾ Includes inventory valuation adjustments of \$588 (2024 – \$78,997) (Note 22). The current year valuation adjustment is included in medical supplies and the prior year valuation adjustments are included in drugs and gases, medical supplies, and housekeeping, laundry and linen, staff wearing apparel, plant maintenance and biomedical engineering supplies.

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

SCHEDULE 2A – OFFICIAL ADMINISTRATOR REMUNERATION FOR THE YEAR ENDED MARCH 31, 2025

	Term	2025 Remuneration	2024 Remuneration
Official Administrator			
Andre Tremblay	Since Jan 31, 2025	\$ -	\$ -
Total Official Administrator		\$ -	\$ -

Andre Tremblay was appointed to the position of Official Administrator effective January 31, 2025 per Ministerial Order 808/2025. The incumbent was not remunerated for this position.

The tenure of the Official Administrator is in lieu of a Board at AHS.

SCHEDULE 2B – FORMER BOARD REMUNERATION FOR THE YEAR ENDED MARCH 31, 2025

	Term	2025 Committees	2025 Remuneration	2024 Remuneration
Former Board Chair^(f)				
Angela Fong	Sep 23, 2024 to Jan 31, 2025	FARC, FC, GCHRC	\$ 75	\$ -
Dr. Lyle Oberg	Nov 8, 2023 to Sep 22, 2024	FARC, FC, GCHRC	188	155
Former Board Members				
Sandy Edmonstone (Vice Chair)	Nov 8, 2023 to Jan 31, 2025	FC (Chair), GCHRC	43	14
Cynthia Farmer ^(g)	Nov 8, 2023 to Jan 31, 2025	-	-	-
Angela Fong	Nov 21, 2023 to Sep 22, 2024	GCHRC (Chair)	14	12
Paul George Haggis	Nov 8, 2023 to Jan 31, 2025	FARC (Chair), FC	43	14
Darren Hedley ^(g)	Jan 23, 2025 to Jan 31, 2025	-	-	-
Dr. Lyle Oberg	Sep 23, 2024 to Jan 31, 2025	-	26	-
Evan Romanow ^(g)	Nov 8, 2023 to Jan 31, 2025	FC	-	-
Andre Tremblay ^(g)	Nov 8, 2023 to Jan 8, 2025	FARC, FC, GCHRC	-	-
Total Former Board			\$ 389	\$ 195

The former Board chair and former Board members were remunerated with monthly honoraria. In addition, former Board members received remuneration for attendance at Board and committee meetings up until September 22, 2024, at which time there was a change in the compensation structure.

Board committees were established by the former Board to assist in governing AHS and overseeing the management of AHS' business and affairs.

Committee legend: FARC = Finance, Audit and Risk Committee, FC = Foundations Committee, GCHRC = Governance, Compliance and Human Resources Committee

**SCHEDULE 2C – FORMER OFFICIAL ADMINISTRATOR / FORMER OFFICIAL ADMINISTRATOR COMMITTEE
REMUNERATION FOR THE YEAR ENDED MARCH 31, 2025**

	Term	2025 Remuneration	2024 Remuneration
Former Official Administrator			
Dr. John Cowell	Nov 17, 2022 to Nov 8, 2023	\$ -	\$ 436
Former Official Administrator Committee Participants			
Tara Lockyer	Nov 24, 2022 to Nov 8, 2023	-	2
Gregory Turnbull	Nov 24, 2022 to Nov 8, 2023	-	3
Tyler White	Jul 12, 2023 to Nov 8, 2023	-	1
Gord Winkel	Nov 24, 2022 to Nov 8, 2023	-	3
Total Former Official Administrator / Former Official Administrator Committee		\$ -	\$ 445

The tenure of the Official Administrator was in lieu of a Board at AHS.

Dr. John Cowell's last term as Official Administrator ended November 8, 2023 per Ministerial Order 307/2023, and did not serve in the fiscal year ended March 31, 2025.

SCHEDULE 2D - EXECUTIVE REMUNERATION AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2025

For the Current Fiscal Year	2025						
	FTE ^(a)	Base Salary ^(b, h)	Other Cash Benefits ^(c)	Other Non-Cash Benefits ^(d)	Subtotal	Severance ^(e)	Total
Official Administrator/Formal Board Direct Reports							
Andre Tremblay – Interim President and Chief Executive Officer ^(i, w)	0.22	\$ 48	\$ -	\$ 11	\$ 59	\$ -	\$ 59
Athana Mentzelopoulos – President and Chief Executive Officer ^(j)	0.78	454	-	49	503	583	1,086
Ronda White – Chief Audit Executive ^(k)	0.94	314	2	81	397	-	397
CEO Direct Reports							
Sean Chilton – Senior VP, Clinical Operations ^(l, x)	1.00	518	3	106	627	-	627
Erin O'Neill – Senior VP, Finance and Shared Services ^(m, w)	0.06	8	-	-	8	-	8
Dr. Sid Viner – VP and Medical Director, Clinical Operations ^(k)	0.84	433	22	84	539	-	539
Dr. Peter Jamieson – VP, Quality and Chief Medical Officer ⁽ⁿ⁾	0.84	420	20	128	568	-	568
Susan McGillivray – Interim VP, People and Health Professions ^(k)	0.94	381	-	77	458	-	458
Karen Horon – VP, Cancer Care Alberta and Clinical Support Services ^(k)	0.94	363	1	91	455	-	455
Brenda Hubley – Acting VP, Cancer Care Alberta and Clinical Support Services ^(o)	0.24	74	8	17	99	-	99
Dr. Mircea Fagarasanu – Interim VP, Provincial Clinical Excellence ^(p)	0.92	250	38	70	358	-	358
Natalie McMurtry – Interim VP, Provincial Clinical Excellence ^(q)	0.06	18	-	4	22	-	22
Thomas Mountain – Interim Chief Program Officer, Addiction and Mental Health and Correctional Health Services ^(r)	0.17	46	-	14	60	-	60
Kerry Bales – Chief Program Officer, Addiction and Mental Health and Correctional Health Services ^(s)	0.25	85	-	27	112	-	112
Christine Myatt – Senior Program Officer, Community Engagement and Communications ^(t)	0.90	183	-	52	235	-	235
Holly Budd – Acting Senior Program Officer, Community Engagement and Communications ^(u)	0.04	8	2	1	11	-	11
Michael Lam – Interim VP, Corporate Services and Chief Financial Officer ^(k)	0.94	329	1	73	403	-	403
Andrea Beckwith-Ferraton – Interim General Counsel and Corporate Secretary ^(k)	0.94	228	25	79	332	-	332
Tracy Chalaturnyk – Transition Lead ^(v)	0.92	250	38	52	340	-	340
Total Executive	11.94	\$ 4,410	\$ 160	\$ 1,016	\$ 5,586	\$ 583	\$ 6,169
Management Reporting to CEO Direct Reports	51.21	\$ 13,663	\$ 451	\$ 2,731	\$ 16,845	\$ 980	\$ 17,825

SCHEDULE 2D - EXECUTIVE REMUNERATION AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2025 (CONTINUED)

For the Prior Fiscal Year	2024						
	FTE ^(a)	Base Salary ^(b, h)	Other Cash Benefits ^(c)	Other Non-Cash Benefits ^(d)	Subtotal	Severance ^(e)	Total
Board/Former Official Administrator Direct Reports							
Athana Mentzelopoulos – President and Chief Executive Officer	0.31	\$ 179	\$ -	\$ 88	\$ 267	\$ -	\$ 267
Sean Chilton – Interim President and Chief Executive Officer	0.06	35	-	6	41	-	41
Mauro Chies – President and Chief Executive Officer	0.63	374	-	85	459	1,386	1,845
Ronda White – Chief Audit Executive	1.00	313	2	73	388	-	388
Athana Mentzelopoulos – Official Administrator Advisor/ Provisional Lead, Emergency Medical Services	0.33	119	-	44	163	-	163
CEO Direct Reports							
Sean Chilton – Interim VP and Chief Operating Officer, Clinical Operations/VP, People, Health Professions and Information Technology	0.94	410	19	102	531	-	531
Lori Anderson – Acting VP and Chief Operating Officer, Clinical Operations	0.03	10	3	2	15	-	15
Deb Gordon – VP and Chief Operating Officer, Clinical Operations	0.52	212	-	7	219	970	1,189
Dr. Sid Viner – VP and Medical Director, Clinical Operations	0.90	436	22	102	560	-	560
Dr. Peter Jamieson – Interim VP, Quality and Chief Medical Officer	0.33	177	-	-	177	-	177
Dr. Francois Belanger – VP, Quality and Chief Medical Officer	0.63	316	-	85	401	1,071	1,472
Susan McGillivray – Interim VP, People and Health Professions	0.60	229	-	61	290	-	290
Karen Horon – VP, Cancer Care Alberta and Clinical Support Services	1.00	331	1	96	428	-	428
Natalie McMurtry – Interim VP, Provincial Clinical Excellence	0.81	219	-	48	267	-	267
Dr. Braden Manns – Interim VP, Provincial Clinical Excellence	0.19	107	2	7	116	-	116
Kerry Bales – Chief Program Officer, Addiction and Mental Health and Correctional Health Services	1.00	328	-	99	427	-	427
Holly Budd – Acting Senior Program Officer, Community Engagement and Communications	0.33	60	12	18	90	-	90
Gail Fredrickson – Interim VP, Community Engagement and Communications	0.07	18	2	3	23	-	23
Colleen Turner – VP, Community Engagement and Communications	0.60	233	-	103	336	792	1,128
Michael Lam – Interim VP, Corporate Services and Chief Financial Officer	0.33	97	12	29	138	-	138
Colleen Purdy – VP, Corporate Services and Chief Financial Officer	0.63	273	-	57	330	504	834
Andrea Beckwith-Ferraton – Interim General Counsel and Corporate Secretary	0.37	86	10	23	119	-	119
Tina Giesbrecht – General Counsel	0.63	165	5	49	219	356	575
Geoffrey Pradella – Chief Strategy Officer	0.35	105	-	26	131	144	275
Total Executive	12.59	\$ 4,832	\$ 90	\$ 1,213	\$ 6,135	\$ 5,223	\$ 11,358
Management Reporting to CEO Direct Reports							
	59.68	\$ 14,938	\$ 468	\$ 2,844	\$ 18,250	\$ 388	\$ 18,638

SCHEDULE 2E - 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 2D are prorated for the period of time the individual was in their position directly reporting to the Official Administrator/former Board or directly reporting to the President and Chief Executive Officer. Only individuals holding a position directly reporting to the Official Administrator/former Board or President and Chief Executive Officer during the current fiscal year are disclosed.

	2025			2024			
	SPP	SERP					
	Current Period Benefit Costs ⁽¹⁾	Other Costs ⁽²⁾	Total	Total	Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2024	Change During the Year ⁽⁴⁾	Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2025
Andre Tremblay - Interim President and Chief Executive Officer ⁽⁵⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Athana Mentzelopoulos - President and Chief Executive Officer ⁽⁶⁾	-	-	-	14	14	(14)	-
Ronda White - Chief Audit Executive	16	-	16	14	191	50	241
Sean Chilton – Senior VP, Clinical Operations	38	-	38	30	325	94	419
Erin O'Neill - Senior VP, Finance and Shared Services ⁽⁶⁾	-	-	-	-	-	-	-
Dr. Sid Viner - VP and Medical Director, Clinical Operations	36	-	36	31	203	80	283
Dr. Peter Jamieson - Interim VP, Quality and Chief Medical Officer	33	-	33	-	-	33	33
Susan McGillivray - Interim VP, People and Health Professions	-	(1)	(1)	(1)	149	8	157
SERP	24	-	24	18	168	27	195
Karen Horon - VP, Cancer Care Alberta and Clinical Support Services	22	-	22	16	68	27	95
Brenda Hubley – Acting VP, Cancer Care Alberta and Clinical Support Services	12	-	12	10	60	22	82
Dr. Mircea Fagarasanu - Interim VP, Provincial Clinical Excellence	8	-	8	8	28	14	42
Natalie McMurtry - Interim VP, Provincial Clinical Excellence	12	-	12	7	13	15	28
Thomas Mountain - Interim Chief Program Officer, Addiction and Mental Health and Correctional Health Services ⁽⁷⁾	3	-	3	-	-	-	-
Kerry Bales - Chief Program Officer, Addiction and Mental Health and Correctional Health Services ⁽⁷⁾	10	-	10	16	251	(251)	-
Christine Myatt - Senior Program Officer, Community Engagement and Communications	-	-	-	-	-	-	-

SCHEDULE 2E - EXECUTIVE SUPPLEMENTAL PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (CONTINUED)

	2025			2024			
	SPP	SERP					
	Current Period Benefit Costs ⁽¹⁾	Other Costs ⁽²⁾	Total	Total	Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2024	Change During the Year ⁽⁴⁾	Account Balance ⁽³⁾ or Accrued Benefit Obligation March 31, 2025
Holly Budd - Acting Senior Program Officer, Community Engagement and Communications ⁽⁸⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Michael Lam - Interim VP, Corporate Services and Chief Financial Officer	16	-	16	12	101	39	140
Andrea Beckwith-Ferraton - Interim General Counsel and Corporate Secretary	5	-	5	4	48	16	64
Tracy Chalaturnyk - Transition Lead	8	-	8	8	124	30	154

- (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.
- (5) The incumbent is on temporary secondment from the Government of Alberta, and therefore not eligible for enrollment in the SPP.
- (6) The SPP had not fully vested at the time of the incumbent's departure, and as a result no current period benefit costs were incurred.
- (7) The incumbent's account balance transitioned to Recovery Alberta effective September 1, 2024.
- (8) The incumbent's pensionable earnings were below the threshold for enrollment in the SPP.

**FOOTNOTES TO THE SCHEDULES OF REMUNERATION AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2025****Definitions**

- a. For this schedule, full time equivalents (FTE) are determined by actual hours earned divided by 2,022.75 annual base hours (2024 – 2,030.50 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 2E
 - 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.

Former Board

- f. The former Board Chairs were Ex-Officio members on all former Board committees.
- g. These individuals did not claim honoraria.

Executive

- h. 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, 2025, the number of work days at AHS was 261 (2024 – 260 work days).
- i. Andre Tremblay was appointed to the position of Interim President and Chief Executive Officer effective January 8, 2025. The incumbent was also appointed Official Administrator effective January 31, 2025. The incumbent is on temporary secondment from the Government of Alberta and received remuneration and benefits from AHS commencing February 19, 2025.
- j. Athana Mentzelopoulos held the position of President and Chief Executive Officer until January 8, 2025 at which time she left AHS. The incumbent received salary and other accrued entitlements to the date of departure. The reported severance included 12 months base salary at the rate in effect at the date of departure. In addition, the incumbent received a vacation payout of \$108 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. The reported severance is still subject to change.
- k. As a result of restructuring, the incumbent ceased to be a direct report to the President and Chief Executive Officer effective March 10, 2025.
- l. Sean Chilton held the position of Interim VP and Chief Operating Officer, Clinical Operations until February 26, 2025 at which time he was appointed to Senior Vice President, Clinical Operations.
- m. Erin O'Neill was appointed to the position of Senior Vice President, Finance and Shared Services effective March 10, 2025. The incumbent is on temporary secondment from the Government of Alberta and received the reported remuneration from AHS in addition to her Government of Alberta compensation.
- n. Dr. Peter Jamieson held the position of Interim Vice President, Quality and Chief Medical Officer until April 15, 2024 at which time he was appointed to Vice President, Quality and Chief Medical Officer. The incumbent's remuneration while Interim Vice President, Quality and Chief Medical Officer was as per the terms of a Medical Administrative Services Agreement. The incumbent became an employee of AHS with his appointment as Vice President, Quality and Chief Medical Officer. As a result of restructuring, the incumbent ceased to be a direct report to the President and Chief Executive Officer effective March 10, 2025.

**FOOTNOTES TO THE SCHEDULES OF REMUNERATION AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2025 (CONTINUED)**

- o. Brenda Hubley held the position of Chief Program Officer, Cancer Care Alberta until October 16, 2024 at which time she was appointed to Acting Vice President, Cancer Care Alberta and Clinical Support Services and became a direct report to the President and Chief Executive Officer. This appointment was to provide coverage for a leave of absence by Karen Horon. The incumbent held the position of Acting Vice President, Cancer Care Alberta and Clinical Support Services until January 10, 2025 at which time the incumbent resumed the role of Chief Program Officer, Cancer Care Alberta and was no longer a direct report to the President and Chief Executive Officer.
- p. Dr. Mircea Fagarasanu held the position of Senior Program Officer, Workplace Health and Safety until April 8, 2024 at which time he was appointed to Interim Vice President, Provincial Clinical Excellence and became a direct report to the President and Chief Executive Officer. As a result of restructuring, the incumbent ceased to be a direct report to the President and Chief Executive Officer effective March 10, 2025.
- q. Natalie McMurtry was seconded to the Government of Alberta for a two-year term effective April 22, 2024. During this secondment, 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.
- r. Thomas Mountain held the position of Lead, Addiction and Mental Health Operations until July 1, 2024 at which time he was appointed to Interim Chief Program Officer, Addiction and Mental Health and Correctional Health Services and became a direct report to the President and Chief Executive Officer. The incumbent's position transitioned to Recovery Alberta effective September 1, 2024 as per Ministerial Order 801/2024.
- s. Kerry Bales held the position of Chief Program Officer, Addiction and Mental Health and Correctional Health Services until June 30, 2024 at which time he left AHS to assume the position of Chief Executive Officer for Recovery Alberta. In addition, the incumbent received a vacation payout of \$95 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.
- t. Christine Myatt was appointed to the position of Senior Program Officer, Community Engagement and Communications effective April 16, 2024. As a result of restructuring, the incumbent ceased to be a direct report to the President and Chief Executive Officer effective March 10, 2025.
- u. Holly Budd held the position of Acting Senior Program Officer, Community Engagement and Communications until April 16, 2024 at which time she resumed the role of Executive Director, Communications and was no longer a direct report to the President and Chief Executive Officer.
- v. Tracy Chalaturnyk was appointed to the temporary role of Transition Lead effective April 8, 2024 and became a direct report to the President and Chief Executive Officer. These duties are in addition to her position as Senior Program Officer, Human Resource Business Partnerships. As a result of restructuring, the incumbent ceased to be a direct report to the President and Chief Executive Officer effective March 10, 2025.

Termination Obligations

- w. There is no severance associated with the secondment agreement. Upon termination of the secondment agreement, the incumbent is to return to the incumbent's regular position at the Government of Alberta.
- x. In the case of termination without just cause by AHS, the incumbent shall receive severance pay equal to 24 months' salary and benefits.

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

	2025									
	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	Net effect of restructuring transaction	Total
Continuing care	\$ 376,905	\$ 1,044,780	\$ -	\$ 7,645	\$ 6,733	\$ 27,351	\$ 17,655	\$ 3,632	\$ -	\$ 1,484,701
Community care	695,117	877,022	-	5,245	5,168	51,958	32,138	948	-	1,667,596
Home care	406,715	370,276	-	323	12,131	150,055	19,163	617	-	959,280
Acute care	3,476,632	494,095	67,497	699,820	524,880	724,403	152,790	68,336	-	6,208,453
Emergency medical services	382,817	249,786	-	3,470	5,732	3,416	42,991	21,551	-	709,763
Diagnostic and therapeutic services	2,001,386	128,549	-	45,014	298,453	404,704	106,987	53,372	-	3,038,465
Population and public health	367,386	21,726	-	5,728	10,932	8,553	16,694	678	-	431,697
Research and education	208,308	2,345	-	91	547	122,274	41,725	51	-	375,341
Information technology	376,215	1,963	-	-	(203)	25,746	240,682	169,223	-	813,626
Support services	1,363,190	200,698	-	1,648	6,120	114,122	835,067	243,897	-	2,764,742
Administration	414,905	43,434	-	-	88	46,654	69,890	1,343	-	576,314
Net effect of restructuring transaction	-	-	-	-	-	-	-	-	2,761	2,761
Total	\$ 10,069,576	\$ 3,434,674	\$ 67,497	\$ 768,984	\$ 870,581	\$ 1,679,236	\$ 1,575,782	\$ 563,648	\$ 2,761	\$ 19,032,739

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

	2024								
	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	\$ 340,236	\$ 951,304	\$ -	\$ 7,566	\$ 7,657	\$ 42,481	\$ 23,068	\$ 3,048	\$ 1,375,360
Community care	927,558	945,293	-	9,574	5,428	53,219	41,622	934	1,983,628
Home care	370,243	358,439	-	199	11,593	83,992	18,683	560	843,709
Acute care	3,427,032	462,215	55,824	654,905	472,626	744,026	202,602	65,645	6,084,875
Emergency medical services	357,098	230,011	-	2,800	5,952	3,869	49,822	16,402	665,954
Diagnostic and therapeutic services	1,820,366	264,783	-	35,072	256,841	368,902	120,658	66,162	2,932,784
Population and public health	351,956	24,052	-	5,634	23,861	9,609	23,448	613	439,173
Research and education	194,329	3,229	-	108	453	119,400	35,066	122	352,707
Information technology	358,249	1,951	-	-	(32)	42,702	242,264	148,641	793,775
Support services	1,279,425	185,744	-	22,996	30,828	164,998	864,210	250,171	2,798,372
Administration	412,973	39,312	-	27	146	54,977	63,640	2,735	573,810
Total	\$ 9,839,465	\$ 3,466,333	\$ 55,824	\$ 738,881	\$ 815,353	\$ 1,688,175	\$ 1,685,083	\$ 555,033	\$ 18,844,147

SCHEDULE 4 – CONSOLIDATED SCHEDULE OF THE REVISED BUDGET

Reconciliation of the Current Year presentation for the Budget FOR THE YEAR ENDED MARCH 31, 2025				
	2025 Original Budget as currently presented	Transfer of mental health and addiction operations to Recovery Alberta	Transfer of primary care operations to Primary Care Alberta	2025 Revised Budget ⁽ⁱ⁾
Revenues:				
Alberta Health transfers				
Base operating	\$ 14,602,924	\$ (22,292)	(25,525)	\$ 14,555,107
Other operating	1,653,528	(505)	(21,728)	1,631,295
Recognition of expended deferred capital revenue	102,100	-	-	102,100
Other government transfers	1,652,176	(773,948)	(2,249)	875,979
Fees and charges	621,000	(3,485)	(708)	616,807
Ancillary operations	92,700	-	-	92,700
Donations and non-government contributions	170,900	(1,671)	-	169,229
Investment and other income ^(a)	248,700	151,092	1,665	401,457
TOTAL REVENUES	19,144,028	(650,809)	(48,545)	18,444,674
Expenses:				
Continuing care	1,425,800	(3,909)	-	1,421,891
Community care	2,132,200	(380,384)	(42,218)	1,709,598
Home care	930,200	-	-	930,200
Acute care	6,081,528	(200,640)	(2,088)	5,878,800
Emergency medical services	735,400	-	-	735,400
Diagnostic and therapeutic services	2,956,600	(45,135)	(276)	2,911,189
Population and public health	420,900	(2,702)	(107)	418,091
Research and education	378,400	(1,718)	-	376,682
Information technology	804,300	(283)	-	804,017
Support services	2,713,800	(8,473)	(2,291)	2,703,036
Administration	564,900	(7,565)	(1,565)	555,770
TOTAL EXPENSES	19,144,028	(650,809)	(48,545)	18,444,674
ANNUAL OPERATING SURPLUS	-	-	-	-
Accumulated surplus, beginning of year	1,304,458	-	-	1,304,458
Accumulated surplus, end of year	\$ 1,304,458	\$ -	-	\$ 1,304,458

⁽ⁱ⁾ The revised budget, resulting from the restructuring of AHS (Note 1), was approved by the former AHS Board on January 27, 2025.

SCHEDULE 4 – CONSOLIDATED SCHEDULE OF THE REVISED BUDGET (CONTINUED)

Reconciliation of the Current Year presentation for the Budget FOR THE YEAR ENDED MARCH 31, 2025					
	2025 Original Budget	Transfer of mental health and addiction operations to Recovery Alberta	Transfer of primary care operations to Primary Care Alberta	Community Lab Services Correction	2025 Revised Budget ⁽ⁱ⁾
Salaries and benefits	\$ 9,935,928	\$ (484,130)	(38,794)	82,887	\$ 9,495,891
Contracts with health service providers	3,748,600	(137,291)	(4,773)	(133,744)	3,472,792
Contracts under the Health Facilities Act	77,000	-	-	-	77,000
Drugs and gases	742,600	(7,557)	(27)	-	735,016
Medical supplies	731,700	(1,517)	(57)	30,940	761,066
Other contracted services	1,664,300	(8,956)	(628)	8,071	1,662,787
Other	1,682,000	(11,358)	(4,266)	11,846	1,678,222
Amortization and loss on disposals/write-downs of tangible capital assets (Note 21)	561,900	-	-	-	561,900
	\$ 19,144,028	\$ (650,809)	(48,545)	-	\$ 18,444,674
(a) Significant amounts included in Other are:					
Equipment expense	\$ 323,300	\$ (959)	(51)	-	\$ 322,290
Utilities	194,400	(2)	-	-	194,398
Building and ground expenses	174,800	(190)	-	-	174,610
Housekeeping, laundry and linen, staff wearing apparel, plant maintenance and biomedical engineering supplies	145,000	(1,051)	(22)	-	143,927
Building rent	126,000	(432)	(117)	-	125,451
Minor equipment purchases	98,100	(286)	(7)	-	97,807
Food and dietary supplies	105,100	(692)	-	-	104,408
Fundraising and grants awarded	55,200	-	-	-	55,200
Office supplies and courier	54,400	(3,164)	(35)	11,846	63,047
Insurance and liability claims	47,800	(14)	(1,032)	-	46,754
Travel	33,000	(1,920)	(45)	-	31,035
Telecommunications	37,600	(28)	(1)	-	37,571
Licenses, fees and memberships	24,300	(192)	(6)	-	24,102
Education	15,500	(284)	(10)	-	15,206
Other	247,500	(2,144)	(2,940)	-	242,416
	\$ 1,682,000	\$ (11,358)	(4,266)	11,846	\$ 1,678,222

⁽ⁱ⁾ The revised budget, resulting from the restructuring of AHS (Note 1), was approved by the former AHS Board on January 27, 2025.