

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2010**

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**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING****MARCH 31, 2010**

The accompanying consolidated financial statements for the years ended March 31, 2010 and 2009 are the responsibility of management and have been reviewed and approved by senior management. The consolidated financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles and the financial directives issued by Alberta Health and Wellness, 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 a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system provides management with reasonable assurance that transactions are in accordance with governing legislation and are properly authorized, reliable financial records are maintained, and assets are adequately safeguarded.

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

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

“Original signed”

Dr. Stephen Duckett  
President and Chief Executive Officer  
Alberta Health Services

“Original signed”

Chris Mazurkewich  
Executive Vice President and Chief Financial Officer  
Alberta Health Services

June 10, 2010



## Auditor's Report

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

I have audited the consolidated statements of financial position of Alberta Health Services as at March 31, 2010 and 2009 and the consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of Alberta Health Services' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Alberta Health Services as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Merwan N. Saher]  
CA  
Auditor General

Edmonton, Alberta  
June 10, 2010

**CONSOLIDATED STATEMENT OF OPERATIONS  
 FOR THE YEAR ENDED MARCH 31, 2010**

	2010		2009
	Budget (Note 3)	Actual	Actual (Note 4 (b))
<b>Revenue:</b>			
Alberta Health and Wellness contributions	\$ 8,430,022	\$ 8,883,012	\$ 8,227,662
Other government contributions	80,980	81,422	66,646
Fees and charges	584,991	577,644	542,616
Ancillary operations	108,581	123,059	117,652
Donations	15,668	17,775	25,373
Investment and other income (Note 5)	246,984	250,907	282,682
Amortized external capital contributions	300,635	305,054	322,930
<b>TOTAL REVENUE</b>	<b>9,767,861</b>	<b>10,238,873</b>	<b>9,585,561</b>
<b>Expenses:</b>			
Inpatient acute nursing services	2,733,440	2,523,753	2,398,751
Emergency and outpatient services	1,146,381	1,151,994	1,099,206
Facility-based continuing care services	787,862	778,485	756,230
Ambulance services	315,918	326,319	43,970
Community-based care	730,069	684,790	545,980
Home care	367,807	383,224	393,159
Diagnostic and therapeutic services	1,723,008	1,810,102	1,717,480
Promotion, prevention and protection services	340,389	316,867	296,994
Research and education	203,659	215,872	227,366
Administration	439,696	390,154	324,356
Information technology	251,160	299,059	280,950
Support services	1,431,988	1,432,600	1,441,658
Amortization of facilities and improvements	167,584	147,338	161,391
Capital assets write down (Note 9 (c))	-	2,682	13,810
Funded transition costs (Note 6)	13,900	13,804	40,561
<b>TOTAL EXPENSES (Schedule 1)</b>	<b>10,652,861</b>	<b>10,477,043</b>	<b>9,741,862</b>
Deficiency of revenue over expenses before transfer	(885,000)	(238,170)	(156,301)
Transfer of HBA Services (Note 4 (a))	-	-	3,116
<b>Deficiency of revenue over expenses</b>	<b>\$ (885,000)</b>	<b>\$ (238,170)</b>	<b>\$ (153,185)</b>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2010**

	2010 Actual	2009 Actual (Note 4 (b))
<u>ASSETS</u>		
Current:		
Cash and cash equivalents (Note 8)	\$ 977,216	\$ 1,144,223
Accounts receivable	166,807	159,221
Contributions receivable from Alberta Health and Wellness	79,233	36,183
Inventories	108,339	91,109
Prepaid expenses	54,903	46,044
	1,386,498	1,476,780
Non-current cash and investments (Note 8)	999,614	1,807,319
Capital contributions receivable from Alberta Health and Wellness	109,947	16,500
Capital assets (Note 9)	6,151,112	5,539,407
Other assets (Note 10)	127,613	144,786
	127,613	144,786
<b>TOTAL ASSETS</b>	<b>\$ 8,774,784</b>	<b>\$ 8,984,792</b>
<u>LIABILITIES AND NET ASSETS</u>		
Current:		
Accounts payable and accrued liabilities	\$ 963,139	\$ 902,723
Accrued vacation pay	357,410	330,599
Deferred contributions (Note 11)	567,727	630,620
Current portion of long-term debt (Note 13)	12,938	12,068
	1,901,214	1,876,010
Deferred contributions (Note 11)	163,250	181,346
Deferred capital contributions (Note 12)	1,046,140	1,696,776
Long-term debt (Note 13)	262,766	189,216
Unamortized external capital contributions	5,254,711	4,675,230
Other liabilities (Note 14)	18,431	45,424
	8,646,512	8,664,002
Net assets:		
Accumulated deficit (Note 16)	(527,235)	(343,219)
Accumulated net unrealized gains (losses) on investments	17,243	(17,737)
Internally restricted net assets invested in capital assets	628,114	671,596
Operating net assets	118,122	310,640
	118,122	310,640
Endowments (Note 17)	10,150	10,150
	128,272	320,790
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,774,784</b>	<b>\$ 8,984,792</b>
Commitments and contingencies (Note 18)		

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

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2010**

	2010					2009	
	Accumulated deficit (Note 16)	Accumulated net unrealized gains/(losses) on investments	Internally restricted net assets invested in capital assets	Sub-total operating net assets	Endowments (Note 17)	Total	Total (Note 4 (b))
Balance at beginning of year	\$ (343,219)	\$ (17,737)	\$ 671,596	\$ 310,640	\$ 10,150	\$ 320,790	\$ 514,735
Deficiency of revenue over expenses	(238,170)	-	-	(238,170)	-	(238,170)	(153,185)
Capital assets purchased with internal funds	(43,200)	-	43,200	-	-	-	-
Amortization of internally funded capital assets	106,740	-	(106,740)	-	-	-	-
Repayment of long-term debt used to fund capital assets	(10,495)	-	10,495	-	-	-	-
Transfer of land from unamortized external capital contributions	-	-	5,723	5,723	-	5,723	-
Purchase of land	-	-	-	-	-	-	3,327
Net unrealized gains (losses) arising during the period on investments	-	39,382	-	39,382	-	39,382	(45,727)
Transfer of net realized losses (gains) on investments to revenue	-	(4,402)	-	(4,402)	-	(4,402)	3,707
Net repayment of life lease deposits	(604)	-	604	-	-	-	-
Reclassification adjustments	1,713	-	3,236	4,949	-	4,949	(2,067)
Balance at end of year	<u>\$ (527,235)</u>	<u>\$ 17,243</u>	<u>\$ 628,114</u>	<u>\$ 118,122</u>	<u>\$ 10,150</u>	<u>\$ 128,272</u>	<u>\$ 320,790</u>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2010**

	2010		2009
	Budget (Note 3)	Actual	Actual (Note 4 (b))
Operating activities:			
Deficiency of revenue over expenses	\$ (885,000)	\$ (238,170)	\$ (153,185)
Non-cash transactions:			
Amortization expense, loss on disposal and write down (Schedule 1)	466,000	411,585	427,651
Amortized external capital contributions	(300,000)	(305,357)	(322,930)
Other	9,000	(41,979)	37,367
Changes in non-cash working capital	(367,000)	1,520	534,023
Cash generated from (used by) operating activities	<u>(1,077,000)</u>	<u>(172,401)</u>	<u>522,926</u>
Investing activities:			
Purchase of capital assets:			
Internally funded equipment	(150,000)	(36,097)	(139,449)
Internally funded facilities and improvements	(50,000)	(7,103)	(70,278)
Externally funded equipment	(144,000)	(181,573)	(190,616)
Externally funded facilities and improvements	(1,177,000)	(708,985)	(721,483)
Debt funded facilities and improvements	(96,000)	(89,107)	(56,742)
Purchase of investments	-	(341,196)	(374,668)
Proceeds on sale of investments	134,000	412,688	347,079
Allocations from (to) non-current cash	884,000	775,595	(419,192)
Changes in non-cash working capital	(31,000)	(53,911)	54,322
Other	8,000	(329)	(2,951)
Cash generated from (used by) investing activities	<u>(622,000)</u>	<u>(230,018)</u>	<u>(1,573,978)</u>
Financing activities:			
Capital contributions received	294,000	160,992	1,452,584
Proceeds from long-term debt	190,000	88,830	55,417
Principal payments on long-term debt	(10,000)	(14,410)	(10,119)
Other	-	-	(2,386)
Cash generated from (used by) financing activities	<u>474,000</u>	<u>235,412</u>	<u>1,495,496</u>
Net increase (decrease) in current cash and cash equivalents	(1,225,000)	(167,007)	444,444
Current cash and cash equivalents, beginning of year	<u>1,049,000</u>	<u>1,144,223</u>	<u>699,779</u>
Current cash and cash equivalents, end of year	<u>\$ (176,000)</u>	<u>\$ 977,216</u>	<u>\$ 1,144,223</u>

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



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2010****Note 1 Authority, Purpose and Operations**

Alberta Health Services (AHS) was established April 1, 2009 under the *Regional Health Authorities Act* (Alberta). Effective April 1, 2009, Aspen Regional Health Authority, Calgary Health Region, Capital Health, Chinook Regional Health Authority, David Thompson Regional Health Authority, Northern Lights Health Region, Palliser Health Region, and Peace Country Health were disestablished along with the Alberta Cancer Board, Alberta Mental Health Board, and Alberta Alcohol and Drug Abuse Commission. All the assets, liabilities, rights and obligations of the disestablished entities were assumed by East Central Health, whose name changed to Alberta Health Services.

Effective April 1, 2009 the operations and administration of emergency medical services (EMS) within the Province of Alberta (Province) were transitioned from Alberta Health and Wellness (AHW) to AHS.

AHS's mission is to provide a patient-focused, quality health system that is accessible and sustainable for all Albertans. AHS's operations include the facilities and sites listed in Schedule 5. AHS is a registered charity under the Income Tax Act and is exempt from the payment of income tax.

**Note 2 Significant Accounting Policies and Reporting Practices****(a) Basis of Presentation**

The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and the reporting requirements of AHW's Financial Directive 1.

These financial statements have been prepared on a consolidated basis. Included in these consolidated financial statements are the following wholly owned subsidiaries:

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

- (i) Calgary Laboratory Services Ltd. (CLS), who provides medical diagnostic services in Calgary and Southern Alberta.
- (ii) Capital Care Group Inc. (CCGI), who manages continuing care programs and facilities in the Edmonton area.
- (iii) Carewest, who manages continuing care programs and facilities in the Calgary area.
- (iv) 1115399 Alberta Inc. (operating as Chemical Exposure Support Services), Capital Health Tele-Ophthalmology Inc., and Edmonton Heart Systems Inc. were amalgamated into AHS effective December 31, 2009.

The transactions between AHS and these subsidiaries have been eliminated on consolidation. All consolidated entities of AHS are exempt from the payment of income tax.

AHS uses the proportionate consolidation method to account for its 50% interest in the Northern Alberta Clinical Trials Centre joint venture with the University of Alberta, and its 50% interest in the Primary Care Networks disclosed in Note 19 (b).

These consolidated financial statements do not include the assets, liabilities and operations of controlled foundations (Note 19 (c)), or voluntary or private facilities providing health services in the Province (Note 19 (d)). These consolidated financial statements do not include trust funds administered on behalf of others (Note 20).

**(b) Revenue Recognition**

These consolidated financial statements have been prepared using the deferral method of accounting for contributions; the key elements of our revenue recognition policies are:

- (i) Unrestricted contributions are recognized as revenue in the year receivable.
- (ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year the related expenses are incurred.
- (iii) Externally restricted capital contributions are recorded as deferred capital contributions until invested in capital assets. Amounts expended, representing externally funded capital assets, are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the year the related amortization expense of the funded capital asset is recorded.
- (iv) Contributions receivable from Alberta Health and Wellness and capital contributions receivable from Alberta Health and Wellness are recorded as receivable when confirmed with AHW.

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

- (v) Endowments and externally restricted contributions to purchase capital assets that will not be amortized are treated as direct increases to net assets.
- (vi) Investment income includes dividend and interest income, and realized gains or losses on the sale of investments. Unrealized gains and losses on available for sale investments are included directly in net assets or deferred contributions as appropriate, until the related investments are sold. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.
- (vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.
- (viii) Revenue from sales of goods and services is recorded in the period that goods are delivered or services are provided.

**(c) Full Cost**

AHS accounts for all costs of services for which it is responsible. Full cost transactions comprise the following:

- (i) Revenue earned by contracted health service providers from AHW designated fees and charges are recorded as AHS's fees and charges. An equivalent amount is recorded as program expenses as this revenue funds part of the cost of AHS's programs.
- (ii) AHW payments directly to contracted health service providers are recorded as revenue and an equivalent amount is recorded as program expenses as these payments represent part of the cost of AHS's programs.
- (iii) The estimated cost for use of acute care facilities not owned by AHS is recorded as revenue from other government contributions and as program expenses, since AHS's contract payments do not include an amount for the use of these facilities.
- (iv) The estimated cost for use of non-acute care facilities not owned by AHS and provided to AHS at zero or nominal rent is recorded as other government contributions and as program expenses.
- (v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist AHS in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in the consolidated financial statements because fair value cannot be reasonably determined.

**Note 2 Significant Accounting Policies and Reporting Practices (continued)**
**(d) Inventories**

Inventories for consumption or distribution at no charge are valued at lower of cost (defined as moving average cost) and current replacement value. All other inventories are valued at lower of cost (defined as moving average cost) and net realizable value.

**(e) Investments**

Investments are accounted for in accordance with the accounting policies described in Note 2(f). Transaction costs associated with the acquisition and disposal of investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal. Investment management fees are expensed as incurred. The purchase and sale of investments are accounted for using trade-date accounting.

**(f) Financial Instruments**

AHS has classified its financial assets and financial liabilities as follows:

<u>Financial Assets and Liabilities</u>	<u>Classification</u>	<u>Subsequent Measurement and Recognition</u>
Cash and cash equivalents	Held for trading	Measured at fair value with changes in those fair values recognized in the Consolidated Statement of Operations.
Investments	Available for sale	Measured at fair value with changes in fair values recognized in the Consolidated Statement of Changes in Net Assets or deferred contributions until realized, at which time the cumulative changes in fair value are recognized in the Consolidated Statement of Operations.
Accounts receivable	Loans and receivables	After initial fair value measurement, measured at amortized cost using the effective interest rate method.
Accounts payable, long-term debt, and life lease deposits	Other financial liabilities	After initial fair value measurement, measured at amortized cost using the effective interest rate method.

AHS does not use hedge accounting and is not impacted by the requirements of Canadian Institute of Chartered Accountants (CICA) accounting standard Section 3865 – Hedges. AHS as a not-for-profit organization has elected to not apply the standards for embedded derivatives in non-financial contracts.

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

When it is determined that an impairment of a financial instrument classified as available for sale is other than temporary, the cumulative loss that had been recognized directly in net assets or deferred contributions is removed and recognized in the Consolidated Statement of Operations even though the financial asset has not been derecognized. Impairment losses recognized in the Consolidated Statement of Operations for a financial instrument classified as available for sale are not reversed.

The carrying value of current cash and cash equivalents, accounts receivable, accounts payable, and short-term borrowings approximate their fair value because of the short term nature of these items. Unless otherwise noted, it is management's opinion that AHS is not exposed to significant interest, currency or credit risks arising from its financial instruments.

Further disclosure on financial instruments is provided in Note 2(e) Investments, Note 8 Cash, Cash Equivalents and Investments, and Note 13 Long-term Debt.

**(g) Capital Assets**

Capital assets and work in progress are recorded at cost. Capital assets acquired from other government organizations are recorded at the carrying value of that government organization. Capital assets with unit costs less than five thousand dollars are expensed. Information systems with unit costs less than two hundred and fifty thousand dollars are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Facilities and improvements	10-40 years
Equipment	2-20 years
Information systems	3-5 years
Leased facilities and improvements	term of lease
Building service equipment	5-30 years
Land improvements	5-25 years

Work in progress, which includes facilities and improvements projects and development of information systems, is not amortized until after a project is complete. Leases transferring substantially all benefits and risks of capital asset ownership are reported as capital asset acquisitions financed by long-term obligations.

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

**(h) Asset Retirement Obligations**

AHS recognizes the fair value of a future asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. AHS concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is amortized over the life of the asset. The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted risk-free interest rate.

Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized as an operating expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is amortized over the remaining life of the asset.

An asset retirement obligation related to the removal of hazardous material that would be required as part of a capital project is only recognized when there is approval from the Minister of Health and Wellness to proceed with the project.

**(i) Employee Future Benefits**

AHS participates in the following registered benefit pension plans: the Local Authorities Pension Plan (LAPP) and the Management Employee Pension Plan (MEPP). These multi-employer public sector final average plans provide pensions for participants, based on years of service and earnings. Benefits for post-1991 service payable under these plans are limited by the *Income Tax Act* (Canada). As these plans are multi-employer plans and sufficient information is not available, these plans are accounted for on a defined contribution basis.

AHS administrates a defined contribution pension plan (DC plan) for certain employee groups. AHS also sponsors Group Registered Retirement Savings Plans (GRRSPs) for certain employee groups. Under the DC plan and GRRSPs, AHS matches a certain percentage of any contribution made by plan participants up to certain limits. These plans provide 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.

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

AHS sponsors three defined benefit Supplemental Pension Plans (SPPs) which are funded. These plans cover certain employees and supplement the benefits under AHS's registered plans that are limited by the *Income Tax Act* (Canada). A majority of the SPPs are final average plans, however, certain participant groups have their benefits determined on a career average basis. Also, some participant groups receive post-retirement indexing similar to the benefits provided under the registered defined benefit pension plans; while others receive non-indexed benefits. The obligations and costs of these benefits are determined annually through an actuarial valuation as at March 31 using the projected benefit method pro-rated on service and management's best estimate assumptions, including a market-related discount rate. Due to *Income Tax Act* (Canada) requirements, the SPPs are subject to the Retirement Compensation Arrangement (RCA) rules, therefore approximately half the assets are held in a non-interest bearing Refundable Tax Account with the Canada Revenue Agency. The remaining assets of the SPPs are invested in a fixed income portfolio.

The net benefit cost of SPP's reported in these financial statements include the current service cost, interest cost on the current service cost and obligations, as well as the amortization of past service cost, initial obligations and net actuarial gains and losses. These amounts are offset by the expected return on the plans' assets.

Past service costs, including the initial obligations of the plans, are amortized on a straight-line basis over the average remaining service lifetime of the relevant employee group. Cumulative net actuarial gains or losses over 10 percent of the greater of the benefit obligation and fair value of the plans' assets, are amortized on a straight-line basis over the average remaining service lifetime of the employee group. When an employee's accrued benefit obligation is fully discharged, all unrecognized amounts associated with that employee are fully recognized in the net benefit cost in the following year.

Employees who participate in the MEPP and whose benefits are limited by the *Income Tax Act* (Canada) are eligible to participate in the Supplementary Retirement Plan for Public Service Managers (SRP) for post July 1, 1999 service. AHS ceased contributions to the SRP on April 1, 2009.

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's contributions are expensed to the extent that they do not relate to discretionary reserves. AHS fully accrues its obligations for employee non-pension future benefits.



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

**(j) Internally Restricted Net Assets Invested in Capital Assets**

AHS discloses internally restricted net assets invested in capital assets separately on the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Net Assets. The AHS Board has approved the restriction of net assets equal to the net book value of internally funded capital assets that will be amortized.

**(k) Grants for Research and Other Initiatives**

AHS awards grants to other organizations for research and other initiatives. The term of the grants range from less than one year to more than one year. AHS records the committed value of the grant awarded as an expense when it has been approved and when the agreement between AHS and the principal investigator has been executed.

**(l) Measurement Uncertainty**

The consolidated financial statements, by their nature, contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on the estimated useful life of the related assets. The amounts recorded for asset retirement and employee future benefits obligations are based on estimated future cash flows. Actual results could differ materially from these estimates.

**(m) Capital Disclosure**

For operating purposes, AHS defines capital as including working capital and unrestricted net assets. For capital purposes, AHS defines capital as including deferred capital contributions, long term debt, unamortized external capital contributions, and internally restricted net assets invested in capital assets.

AHS's objectives for managing capital are:

- In the short term, to safeguard its financial ability to continue to deliver health services; and
- In the long term, to plan and build sufficient physical capacity to meet future needs for health services.

The majority of AHS's operating funds are from AHW which is paid on the first of each month. As a result, significantly less working capital is required. AHS monitors and forecasts its working capital and cash flow.



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

AHW approves health care facilities based on long-term capital plans and provides the majority of the funding through one-time capital grants. AHS funds the required equipment and systems by a combination of allocating a portion of operating funds and obtaining external funding from charitable donations and capital grants. AHS borrows to finance capital investments related to ancillary operations since AHW does not fund ancillary operations.

AHS complied with all debt covenants during the year. In the event of default, the entire outstanding indebtedness secured by and payable to Alberta Capital Financing Authority (ACFA), at their option, becomes due and payable forthwith and without notice to AHS. ACFA may also elect to retain all or any part of the collateral in satisfaction of the indebtedness of AHS. AHS monitors and forecasts all debt covenants.

Where AHS has incurred an accumulated deficit, legislation requires submission of a deficit elimination plan (Note 16).

**(n) Accounting Policy Changes**

As of April 1, 2009 AHS has adopted the new CICA accounting standard Section 4470 - Disclosure of Allocated Expenses. The standard requires AHS to disclose policies adopted for the allocation of fundraising and general support expenses among functions, the nature of the expenses being allocated, the basis on which such allocations have been made, and the functions to which they have been allocated.

AHS does not allocate any fundraising costs. AHS allocates general support and other expenses to comply with the Canadian Institute of Health Information standards. The majority of these allocations are from groupings for accountability purposes to where they contribute directly to the output of one function.

In December 2006, the CICA issued Section 3862 Financial Instruments Disclosures and Section 3863 Financial Instruments Presentation which replaces Section 3861 Financial Instruments Disclosure and Presentation. As a not-for-profit organization, AHS has elected to not adopt the new standards and has continued to disclose for financial instruments under Section 3861.

**Note 3 Budget**

A preliminary business plan with a budgeted deficit of \$885,000 was approved by the Board on June 30, 2009 and the full financial plan was submitted to the Minister of Health and Wellness on August 10, 2009. Reclassifications between revenue and expense categories were approved by the Board on December 3, 2009 and submitted to the Minister of Health and Wellness on December 10, 2009. The reported budget reflects the original \$885,000 deficit and additional reclassifications required for more consistent presentation with current and prior year results (Schedule 3).

Over the course of the fiscal year, the Minister provided additional funding of \$343,000 for accumulated deficit elimination and \$58,700 for H1N1 response costs. The Board has allocated these additional resources to address the expectations of the funding, however the approved budget has not been changed.

**Note 4 Restructure of the Health Services Delivery System in Alberta****(a) Provincial Health Authorities of Alberta operating as Health Boards of Alberta**

The Provincial Health Authorities of Alberta operating as Health Boards of Alberta (HBA Services) was transferred to AHS (formerly East Central Health) on November 1, 2008. All assets and liabilities including all rights, obligations, commitments and contingencies were transferred to AHS at the carrying values. Net assets at the time of transfer were \$3,116.

**(b) Regional health authorities and boards**

As described in Note 1, effective April 1, 2009, all business affairs, assets, liabilities, rights and obligations of the Province's former nine regional health authority boards, Alberta Mental Health Board, Alberta Cancer Board and Alberta Alcohol and Drug Abuse Commission were transferred to Alberta Health Services. The continuity of control over the business operations and net assets transferred to AHS did not change as the Government of Alberta continues to retain control over AHS. Since there was no substantive change in control, the carrying value of these items was retained by AHS upon transfer. Financial statements of AHS presented for prior periods reflect the financial position and results of operations as if AHS had always been assigned with the business affairs of the disestablished health authorities and health boards. Accordingly, balances and transactions between the disestablished health authorities were eliminated and amounts have been reclassified and adjusted to match current year presentation (Schedule 4).

**Note 4 Restructure of Health Services Delivery System in Alberta (continued)**

	As at March 31, 2009			For the Year Ended March 31, 2009	
	Assets	Liabilities	Net Assets	Revenue	Expenses
Eliminations	\$ (68,993)	\$ (68,993)	\$ -	\$ (169,266)	\$ (169,266)
Reclassifications	(3,497)	(3,126)	(371)	8,597	8,597

## (c) Ambulance services

Effective April 1, 2009, the administration and operations of emergency medical services (EMS) within the Province were transitioned to AHS. The transition was made through contracts with previous service providers, and in some cases the transfer of service operations to AHS. Also effective April 1, 2009, the contract for rotary air ambulance services by the Alberta Shock Trauma Air Rescue Society (STARS) was transitioned from AHW to AHS. Ambulance services in the Consolidated Statement of Operations includes \$306,048 of expenses related to EMS and STARS. Subsequent to year end, fixed wing and other rotary air ambulance services will also be transitioned to AHS.

**Note 5 Investment and Other Income**

	2010	2009
Realized investment income	\$ 25,480	\$ 31,710
Other than temporary impairment of investments	-	(5,023)
Other income	225,427	255,995
	\$ 250,907	\$ 282,682

**Note 6 Funded Transition Costs**

AHS received \$80,000 in funding from AHW for the costs of transitioning to AHS (Note 1). These costs consist of severance costs and termination benefits, professional services, consulting costs, transferring employees to LAPP, unfunded supplemental pension plan obligations and payments and other applicable transition expenses. Of the total funding, \$54,365 was expensed in the Consolidated Statement of Operations (2010 - \$13,804, 2009 - \$40,561), \$21,377 was used in 2009 to fund the supplemental pension plans, and \$4,258 was capitalized in 2009 in the Consolidated Statement of Financial Position. The offsetting revenue of \$13,804 (2009 - \$66,196) is reported as Alberta Health and Wellness contributions.

**Note 7 Funded H1N1 Costs**

During the year, AHS responded to the need for providing public health awareness, vaccination and assessment clinics, and emergency and acute care for the outbreak of H1N1 influenza. AHW provided the vaccine at no cost to AHS and has funded the following costs incurred by AHS:

	<u>2010</u>
Inpatient acute nursing services	\$ 15,295
Emergency and outpatient services	4,379
Facility-based continuing care services	511
Ambulance services	140
Diagnostic and therapeutic services	5,646
Promotion, prevention and protection services	22,619
Support services	<u>363</u>
Funded costs expensed in the Consolidated Statement of Operations	48,953
Inventory purchases in the Consolidated Statement of Financial Position	4,876
Capital asset purchases in the Consolidated Statement of Financial Position	<u>4,871</u>
Total funded H1N1 costs	<u>\$ 58,700</u>

The offsetting revenue of \$58,700 is reported as Alberta Health and Wellness contributions.

**Note 8 Cash, Cash Equivalents and Investments**

	2010		2009	
	Fair Market Value	Cost	Fair Market Value	Cost
Cash	\$ 1,552,995	\$ 1,552,995	\$ 2,325,364	\$ 2,325,364
Money market securities	65,101	65,095	257,182	257,186
Fixed income securities	251,528	247,374	264,945	265,813
Equities	107,206	94,123	104,051	120,916
	<u>\$ 1,976,830</u>	<u>\$ 1,959,587</u>	<u>\$ 2,951,542</u>	<u>\$ 2,969,279</u>
Classified as:				
Current				
Unrestricted	\$ 313,663		\$ 305,867	
Restricted	<u>663,553</u>		<u>838,356</u>	
	<u>977,216</u>		<u>1,144,223</u>	
Non-current				
Restricted	<u>999,614</u>		<u>1,807,319</u>	
Total cash, cash equivalents and investments	<u>\$ 1,976,830</u>		<u>\$ 2,951,542</u>	

Cash and cash equivalents consists of cash on hand, balances with banks, and investments in money market securities with original maturities of less than three months which will be used to fund AHS's activities over the next 12 months.

In order to earn optimal financial returns at an acceptable level of risk, AHS has established an investment bylaw with maximum asset mix ranges of 0% to 100% for cash and money market securities, 0% to 80% for fixed income securities, and 0% to 40% for equities. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed income securities and equity investments.

**(a) Interest Rate Risk**

AHS manages the interest rate risk exposure of its fixed income investments by management of average duration and laddered maturity dates.

Money market securities are comprised of Government of Canada treasury bills maturing between April 2010 and June 2010 and bear interest at an average effective yield of 0.22% per annum.

**Note 8 Cash, Cash Equivalents and Investments (continued)**

Fixed income securities, such as bonds, have an effective yield of 3.7% per year, maturing between 2010 and 2108. As at March 31, 2010, the securities have the following maturity structure:

1 – 5 years	42 %
6 – 10 years	30 %
Over 10 years	28 %

**(b) Currency Rate Risk**

AHS is exposed to foreign exchange fluctuations on its investments denominated in foreign currencies. However, this risk is limited by the fact that AHS's investment bylaw limits non-Canadian equities to 25% of total equities.

**(c) Credit and Market Risks**

AHS is exposed to credit risk from the potential non-payment of accounts receivable. However, the majority of the value of AHS's receivables are from AHW, therefore credit risk is considered to be minimal.

AHS's investment bylaw restricts the types and proportions of eligible investments, thus mitigating AHS's exposure to market risk. 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. Investments in corporate bonds are limited to BBB or equivalent rated bonds or higher and no more than 40% of the total fixed income securities. Investments in debt and equity of any one issuer are limited to 5% of the issuer's total debt and equity. Short selling is not permitted.

**Note 9 Capital Assets**

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Facilities and improvements	\$ 5,087,667	\$ 1,952,252	\$ 3,135,415	\$ 2,865,260
Work in progress	1,824,049	-	1,824,049	1,515,163
Equipment	1,561,898	1,019,678	542,220	563,110
Information systems	759,969	493,887	266,082	228,240
Leased facilities and improvements	156,652	66,076	90,576	95,832
Land	106,330	-	106,330	106,330
Building service equipment	341,765	173,077	168,688	143,729
Land improvements	63,479	45,727	17,752	21,743
	<u>\$ 9,901,809</u>	<u>\$ 3,750,697</u>	<u>\$ 6,151,112</u>	<u>\$ 5,539,407</u>

**(a) Leased Land**

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

<u>Site</u>	<u>Leased from</u>	<u>Lease expiry</u>
Alberta Children's Hospital	University of Calgary	2101
Banff Health Unit	Mineral Springs Hospital	2028
Cross Cancer Institute parkade	University of Alberta	2019
Foothills Medical Centre parkade	University of Calgary	2054
McConnell Place North	City of Edmonton	2035
Northeast Community Health Centre	City of Edmonton	2048

**(b) Leased Equipment**

Equipment includes assets acquired through capital leases at a cost of \$11,283 (2009 - \$11,302) with accumulated amortization of \$10,415 (2009 - \$11,057).

**(c) Capital Asset Write-Down**

During the year AHS discontinued operations of the Raymond Care Centre and Picture Butte Municipal Hospital, and recorded a write-down of \$2,682 to reduce the facilities' carrying value to their fair market value. During the prior year, AHS discontinued development of a human resources information system and recorded a write-down of \$13,810 to reduce the carrying value to \$nil.

**Note 9 Capital Assets (continued)**
**(d) Option to Purchase Hospital**

AHS owns the land and buildings of the Grey Nuns Community Hospital and has contracted Covenant Health to operate it. Covenant Health has an option to purchase the land and buildings of the Grey Nuns Community Hospital at market value subject to consent from the Minister of Health and Wellness.

**Note 10 Other Assets**

	2010	2009
Long-term care partnerships – demand loans (Note 11 (a))	\$ 93,904	\$ 81,581
Contributions receivable	20,514	50,690
Other non-current assets	13,195	12,515
	<u>\$ 127,613</u>	<u>\$ 144,786</u>

**Note 11 Deferred Contributions**

Deferred contributions represent unspent externally restricted resources. Changes in the deferred contributions balance are as follows:

	2010			2009
	AHW	Others	Total	Total
Balance beginning of the year	\$ 517,547	\$ 294,419	\$ 811,966	\$ 679,706
Amount received during the year	737,151	155,035	892,186	1,100,331
Amount transferred from (to)				
deferred capital contributions	(6,280)	1,805	(4,475)	93,553
Interest earned	1,831	1,333	3,164	5,007
Amount recognized as revenue	(827,157)	(144,707)	(971,864)	(1,066,631)
Balance at end of the year	<u>\$ 423,092</u>	<u>\$ 307,885</u>	<u>\$ 730,977</u>	<u>\$ 811,966</u>



**Note 11 Deferred Contributions (continued)**

The balance at the end of the year is restricted for the following purposes:

	2010			2009
	AHW	Others	Total	Total
<b>Current:</b>				
Mental health and Safe Communities	\$ 128,572	\$ 1,329	\$ 129,901	\$ 127,427
Research and education	3,604	69,675	73,279	63,994
Cancer prevention and research	36,270	15,410	51,680	43,911
Infrastructure maintenance	45,930	618	46,548	74,266
Primary Care Networks	41,826	-	41,826	39,194
Physician revenue and Alternate Relationship Plans	37,380	1,804	39,184	41,836
Promotion, prevention and community	18,428	16,372	34,800	48,371
Continuing care and seniors health	22,698	3,480	26,178	26,874
EMS transition	18,318	-	18,318	33,312
Diagnostic and therapeutic services	12,515	3,102	15,617	11,103
Emergency and outpatient services	6,243	7,606	13,849	17,377
Healthy Workforce Action Plan	785	10,343	11,128	10,470
Information technology	10,476	610	11,086	9,987
Inpatient acute nursing services	5,326	4,763	10,089	17,738
Wait times	9,898	-	9,898	13,129
Pandemic	8,613	-	8,613	10,801
Regional Shared Health Information Program	8,090	-	8,090	10,273
Telehealth	7,383	39	7,422	9,009
Support services	637	3,535	4,172	3,656
Student health initiatives	-	547	547	498
AHS transition	-	-	-	13,804
Other	100	5,402	5,502	3,590
	<u>423,092</u>	<u>144,635</u>	<u>567,727</u>	<u>630,620</u>
<b>Non-current:</b>				
Long term care partnerships <sup>(a)</sup>	-	157,435	157,435	171,750
Other	-	5,815	5,815	9,596
	<u>-</u>	<u>163,250</u>	<u>163,250</u>	<u>181,346</u>
	<u>\$ 423,092</u>	<u>\$ 307,885</u>	<u>\$ 730,977</u>	<u>\$ 811,966</u>

**Note 11 Deferred Contributions (continued)****(a) Long-term care partnership agreements**

AHS has entered into partnership with private and voluntary health service providers to build and operate long-term care facilities within the Province. The Government of Alberta has supported these partnerships through providing one-time, upfront capital funding to enable AHS and the voluntary and private partners to develop the approved infrastructure. Two partnership models have been used for the payment of the grant from AHS to the partnership organizations; the Supplementary Payment Model and the Modified Mortgage Model.

Under the Supplementary Payment Model, AHS makes annual payments to the partner over the term of the partnership contract, which is usually the expected useful life of the infrastructure. Amounts invested under the terms of long-term care partnership agreements will be utilized to fund future payments to providers over the next 23 years. These payments have a net present value of \$26,067 at March 31, 2010 (2009 - \$28,457) discounted at 3.0% (2009 - 2.5%). The cash, cash equivalents and investments have a market value at March 31, 2010 of \$37,020 (2009 - \$32,223). AHS is subject to risk to meet the payment obligations as they become due.

AHS recognizes the supplementary payment expenses in facility-based continuing care services on the Consolidated Statement of Operations and recognizes an equal amount of revenue as other government contributions through the amortization of deferred contributions long-term care partnership projects. Investment income earned, net of management fees, is recorded as an increase to both the investment base and the deferred contribution.

Under the Modified Mortgage Model, AHS provides a demand loan to the partner who uses the funds to construct the infrastructure. The loan is forgivable over the useful life of the infrastructure. The loan is repayable on demand, is secured by the facility and is forgivable for services rendered by the owner over the life of the facility. AHS does not accrue interest on the loan as AHS intends to forgive the balance of the loan following the expiry of the term of the agreement.

AHS amortizes the long-term care partnership project demand loans (Note 10) to facility-based continuing care services on the Consolidated Statement of Operations and recognizes an equal amount of revenue as other government contributions through the amortization of deferred contributions long-term care partnership projects.

**Note 12 Deferred Capital Contributions**

Deferred capital contributions represent unspent externally restricted resources related to capital assets. Changes in the deferred capital contributions balance are as follows:

	2010			2009
	AHW	Others	Total	Total
Balance beginning of the year	\$ 1,607,113	\$ 89,663	\$ 1,696,776	\$ 1,778,304
Amount received during the year	207,544	28,913	236,457	926,463
Amount transferred to unamortized external capital contributions	(827,552)	(63,596)	(891,148)	(915,094)
Amounts transferred from (to) deferred contributions	6,280	(1,805)	4,475	(93,553)
Interest earned	271	1	272	656
Other	358	(1,050)	(692)	-
Balance at end of the year	<u>\$ 994,014</u>	<u>\$ 52,126</u>	<u>\$ 1,046,140</u>	<u>\$ 1,696,776</u>

The balance at the end of the year is restricted for the following purposes:

	2010			2009
	AHW	Others	Total	Total
Facilities and improvements:				
Infrastructure maintenance projects	\$ 158,031	\$ -	\$ 158,031	\$ 96,275
Calgary South Health Campus	93,548	-	93,548	316,994
The Edmonton Clinic	102,731	-	102,731	199,472
Capital escalation	63,658	-	63,658	63,658
Rockyview General Hospital	35,909	-	35,909	62,861
Peter Lougheed Centre	22,045	-	22,045	55,080
Foothills Medical Centre	18,702	-	18,702	100,060
Royal Alexandra Hospital				
– New North Treatment Tower	26,653	7,055	33,708	52,049
Other less than \$50,000	258,000	13,850	271,850	457,996
	<u>779,277</u>	<u>20,905</u>	<u>800,182</u>	<u>1,404,445</u>
Information systems	159,989	6,719	166,708	221,435
Equipment	54,748	24,502	79,250	70,896
	<u>\$ 994,014</u>	<u>\$ 52,126</u>	<u>\$ 1,046,140</u>	<u>\$ 1,696,776</u>

**Note 13 Long-term Debt**

	<u>2010</u>	<u>2009</u>
Debentures payable: <sup>(i)</sup>		
Parkade loan #1	\$ 48,747	\$ 50,722
Parkade loan #2	44,020	45,664
Parkade loan #3	53,332	55,000
Parkade loan #4	5,000	-
Calgary Laboratory Services purchase	22,697	28,535
Term loan <sup>(ii)</sup>	83,000	-
Mortgages payable	-	2,022
Obligation under capital lease <sup>(iii)</sup>	16,042	15,955
Other	2,866	3,386
	<u>\$ 275,704</u>	<u>\$ 201,284</u>
Current	\$ 12,938	\$ 12,068
Non-current	<u>262,766</u>	<u>189,216</u>
	<u>\$ 275,704</u>	<u>\$ 201,284</u>
Fair value of total long-term debt <sup>(iv)</sup>	<u>\$ 282,242</u>	<u>\$ 209,945</u>

- (i) AHS issued debentures to Alberta Capital Financing Authority (ACFA), a related party, to finance the construction of parkades and the purchase of the remaining 50.01% ownership interest in CLS. AHS has pledged as security for these debentures revenues derived directly or indirectly from the operations of all parking facilities being built, renovated, owned and operated by AHS.

As at March 31, 2010, \$5,000 of \$181,000 has been advanced to AHS relating to the Parkade loan #4 debenture with the remaining to be drawn by September 1, 2011. Semi-annual principal and interest payments of \$7,165 will commence March 1, 2012.

The maturity dates and interest rates for the debentures are as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>
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%
Calgary Laboratory Services purchase	May 2013	4.6810%

**Note 13 Long-term Debt (continued)**

- (ii) AHS has obtained a term loan facility of \$181,000 during 2010, of which \$83,000 has been drawn at March 31, 2010. The facility has been secured by the issuance of the Parkade #4 debenture to ACFA. Although the loan is repayable on demand, repayment terms are for monthly payment of interest only at 2.755%, with the full principal repayment due upon maturity on September 1, 2011. Management does not believe that the demand features of the callable debt will be exercised in the current period.
- (iii) The capital lease expires January 2028. The implicit interest rate payable on this lease is 6.5%.
- (iv) The fair value of long-term debt is estimated based on market interest rates from ACFA for debentures of similar maturity.
- (v) As at March 31, 2010 AHS held a \$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 0.5% per annum. As at March 31, 2010, AHS has no draws against this facility.

AHS also holds a \$40,000 revolving demand letter of credit facility which may be used to secure AHS's obligations to third parties relating to construction projects. As at March 31, 2010, AHS had \$4,305 in letters of credit outstanding against this facility.

AHS is committed to making payments as follows:

Year ended March 31	Debentures Payable, Term/Other Loan and Mortgages Payable Principal payments	Capital Lease Minimum lease payments
2011	\$ 11,852	\$ 1,716
2012	98,113	1,659
2013	15,277	1,465
2014	10,040	1,453
2015	6,870	1,453
Thereafter	117,510	19,752
	\$ 259,662	27,498
Less: interest		11,456
		\$ 16,042

During the year, the amount of interest expense was \$8,845 (2009 - \$7,091).

**Note 14 Other Liabilities**

Other liabilities are made up of the following balances:

	2010	2009
Asset retirement obligations <sup>(a)</sup>	\$ 10,713	\$ 13,029
Life lease deposits <sup>(b)</sup>	12,603	13,625
Supplemental pension plans accrued benefit (asset) liability <sup>(c)</sup>	(6,180)	14,491
Other	1,295	4,279
	<u>\$ 18,431</u>	<u>\$ 45,424</u>

**(a) Asset Retirement Obligations**

The asset retirement obligation (ARO) represents the legal obligation associated with the removal of asbestos during planned renovations of AHS buildings. The total undiscounted amount of the estimated cash flows required to settle the recorded obligation is \$11,474 (2009 - \$13,767), which has been discounted using a weighted average credit-adjusted risk free rate of 2.1% (2009 - 4.2%). Payments to settle the ARO are expected to occur by 2014. AHS has identified the existence of asbestos in other buildings which is not required to be remediated at this time and therefore is not recorded as an obligation.

**(b) Life Lease Deposits**

Funding for the Laurier House facilities, a project for long-term care residents in Edmonton, is provided by the tenants with a non-interest bearing repayment deposit, for the right to occupy the unit they are leasing. When the life lease agreement is terminated, which may be by death of the tenant or the tenant moving out, the life lease deposit is returned to the tenant without interest and in accordance with the terms of the Life Lease Agreement. The liability for life lease deposits is based on a discharge rate of 25% and a discount rate of 2.0%, representing the bank secured lending rate. The reported liability is based on estimates and assumptions with respect to events extending over a 4 year period using the best information available to management.

**Note 14 Other Liabilities**
**(c) Supplemental Pension Plans**

As of April 1, 2009 there were seven SPPs sponsored by AHS. These plans were either funded, secured by letters of credit, or unfunded. Each plan was closed to new entrants effective April 1, 2009 and during the ensuing fiscal year, the SPPs were consolidated into three funded SPPs. Under the terms of the three SPPs, participants will receive retirement benefits that supplement the benefits under AHS's registered plans that are limited by the *Income Tax Act* (Canada). As required under the plans' terms, any unfunded obligations identified in the actuarial valuation completed at the end of each fiscal year must be fully funded within 61 days. The accounting policies for SPPs are described in Note (2 (i)).

	2010		2009	
	Total Plans with a surplus	Plans with a surplus	Plans with a deficit	Total
<b>Change in accrued benefit obligation</b>				
Accrued benefit obligation, beginning of year	\$ 28,715	\$ 8,565	\$ 22,294	\$ 30,859
Accrued benefit obligation, Nov 1, 2009 (HBA Services)	-	491	-	491
Service cost	1,701	748	1,809	2,557
Interest cost	2,000	465	1,249	1,714
Past service cost	-	-	187	187
Benefit payments	(3,224)	(1,229)	(2,736)	(3,965)
Actuarial losses (gains)	2,617	(1,113)	(2,015)	(3,128)
Accrued benefit obligation, end of year	\$ 31,809	\$ 7,927	\$ 20,788	\$ 28,715
<b>Change in plan assets</b>				
Fair value of plan assets, beginning of year	\$ 10,178	\$ 7,427	\$ 981	\$ 8,408
Fair value of plan assets, Nov 1, 2009 (HBA Services)	-	711	-	711
Adjustment to opening value	-	3	-	3
Actual return on plan assets	510	(314)	-	(314)
Actual employer contributions	24,903	2,433	2,948	5,381
Actual plan expenses	-	-	(46)	(46)
Benefit payments	(3,224)	(1,229)	(2,736)	(3,965)
Fair value of plan assets, end of year	\$ 32,367	\$ 9,031	\$ 1,147	\$ 10,178
<b>Reconciliation of funded status to accrued benefit asset/liability</b>				
Funded status of the plan	\$ 558	\$ 1,104	\$ (19,641)	\$ (18,537)
Unrecognized net actuarial losses	4,334	463	1,626	2,089
Unrecognized initial obligations	512	559	219	778
Unrecognized past service cost	776	334	845	1,179
Accrued benefit asset (liability), end of year	\$ 6,180	\$ 2,460	\$ (16,951)	\$ (14,491)

**Note 14 Other Liabilities (continued)**

	2010		2009	
	Total Plans with a surplus	Plans with a surplus	Plans with a deficit	Total
<b>Determination of net benefit cost</b>				
Service cost	\$ 1,701	\$ 748	\$ 1,809	\$ 2,557
Interest cost	2,000	465	1,249	1,714
Actual return on assets	(510)	314	-	314
Actual prior service cost in year	-	-	187	187
Actuarial losses (gains) in year	2,617	(1,117)	(2,015)	(3,132)
Amortization of initial obligations	264	641	128	769
Difference between expected and actual return on assets	224	(536)	-	(536)
Difference between recognized and actual actuarial gains/losses	(2,468)	1,573	2,921	4,494
Difference between recognized and actual past service costs	405	112	359	471
Net benefit cost	\$ <u>4,233</u>	\$ <u>2,200</u>	\$ <u>4,638</u>	\$ <u>6,838</u>

**Members**

Active	64	80
Retired and terminated	55	51
Total members	<u>119</u>	<u>131</u>

**Assumptions**

Weighted average discount rate to determine year end obligations	5.40%	6.20%	6.56%	6.46%
Weighted average discount rate to determine net benefit costs	6.38%	5.17%	5.33%	5.28%
Expected return on assets	2.70%	3.10%	0.00%	0.86%
Expected average remaining service life time	5	8	6	6
Rate of compensation increase	Note <sup>(i)</sup>	4.00%	4.33%	4.28%

- <sup>(i)</sup> 1.5% per year for 2010 – 2011  
 3.2% per year for 2012 – 2014  
 3.5% per year thereafter



**Note 15 Pension Expense**

	2010	2009
Registered benefit plans <sup>(a)</sup>	\$ 300,513	\$ 249,614
Costs to transfer employees to LAPP	33,000	7,000
Defined contribution pension plans	11,326	9,808
Supplemental Pension Plans	4,233	6,838
	<u>\$ 349,072</u>	<u>\$ 273,260</u>

**(a) Registered Benefit Plans**

AHS participates in the Local Authorities Pension Plan (LAPP) and the Management Employee Pension Plan (MEPP), which are multi-employer defined benefit plans. The pension expense recorded in these consolidated financial statements is equivalent to AHS's contributions to the plan during the year as determined by LAPP and MEPP. At December 31, 2009 LAPP reported a deficiency of \$3,998,614 (2008 - deficiency of \$4,413,971), and MEPP reported a deficiency of \$483,199 (2008 - \$568,574).

**Note 16 Accumulated Surplus/(Deficit)**

AHS reported an accumulated deficit at March 31, 2010. Per Alberta Regulation 15/95 of the *Regional Health Authorities Act* (Alberta), AHS will provide the Minister with a plan in writing to eliminate the accumulated deficit within three years of incurrence.

The Province announced on February 9, 2010 that it would fund AHS's accumulated deficit as at March 31, 2010.

**Note 17 Endowments**

	2010	2009
Alberta Cancer Research Institute Director Research Chair <sup>(a)</sup>	\$ 10,000	\$ 10,000
J.K. Bigelow Education Fund <sup>(b)</sup>	150	150
	<u>\$ 10,150</u>	<u>\$ 10,150</u>

- (a) The Alberta Cancer Research Institute (ACRI) Director Research Chair endowment is internally restricted and is designated for use as a Research Chair for the Director of ACRI. The principal amount of \$10,000 is required to be maintained and all investment proceeds are available for use. Investment proceeds from the fund are recorded as a deferred contribution until used for the salary, infrastructure and operating grant support for the ACRI Director Research Chair.

**Note 17 Endowments (continued)**

- (b) The J.K. Bigelow Education Fund endowment is internally restricted and is designated for funding of health related courses undertaken by employees of AHS in the Lethbridge area. The principal amount of \$150 is required to be maintained and all investment proceeds are available for use. Investment proceeds are recorded as deferred contributions until used for education.

**Note 18 Commitments and Contingencies**
**(a) Leases**

AHS is contractually committed to future operating lease payments for premises until 2029 as follows:

<u>Year ending March 31</u>	
2011	\$ 43,799
2012	40,412
2013	35,070
2014	25,986
2015	21,441
Thereafter	63,736
	<u>\$ 230,444</u>

**(b) Capital Assets**

AHS has the following outstanding contractual commitments for capital assets as of March 31:

	<u>2010</u>
Facilities and improvements	\$ 1,595,077
Information systems	28,340
Equipment	48,974
	<u>\$ 1,672,391</u>

**(c) Contracted Health Service Providers**

AHS contracts on an ongoing basis with voluntary and private health service providers to provide health services in the Province as disclosed in Note 19 (d). AHS has contracted for services in the year ending March 31, 2011 similar to those provided by these providers in 2010.

**Note 18 Commitments and Contingencies (continued)****(d) Contingencies**

AHS has been named as a defendant in a legal action in respect of increased long-term care accommodation charges levied effective August 1, 2003. The claim has been filed against the Government of Alberta and the former Regional Health Authorities (now AHS). The amount of the claim has not been specified but has been estimated to be between \$100 million and \$175 million per year based on the amount of the increase in accommodation charges levied, which came into effect August 1, 2003. The outcome of the claim is not determinable and no liability is recorded at this time.

AHS has a contingent liability in respect of claims relating to the failure of St. Joseph's Hospital to provide adequate infection control and safety measures to prevent contamination of medical equipment. The total amount of these claims is in excess of \$25 million. The outcome of the claims is not determinable, and no liability is recorded at this time.

As at March 31, 2010 AHS is named as a defendant in 379 legal claims (2009 – 356 legal claims). 329 of these claims have specified amounts totaling \$1,306,699 and the remaining 50 have no specified amount. Included in the total legal claims are 7 claims amounting to \$93,965 in which AHS has been jointly named with other entities. 345 claims amounting to \$1,283,095 are covered by the Liability and Property Insurance Plan subject to the limits described in Note 19(f). The resulting loss, if any, from these claims cannot be determined, and therefore no liability is recorded at this time.

**Note 19 Related Parties**

Transactions with the following related parties are considered to be in the normal course of operations. Amounts due to or from the related parties and the recorded amounts of the transactions are included within these consolidated financial statements, unless otherwise stated.

**(a) Government of Alberta**

The Minister of Health and Wellness appoints the AHS Board members. Transactions between AHS and AHW are reported and disclosed in the Consolidated Statement of Operations, the Consolidated Statement of Financial Position, and the Notes to the Consolidated Financial Statements.

AHS shares a common relationship and is considered to be a related party with other ministries through its relationship with the Government of Alberta. Transactions in the normal course of operations between AHS and the other ministries are recorded at their exchange amount as follows:

**Note 19 Related Parties (continued)**

	Revenue		Expenses	
	2010	2009	2010	2009
Ministry of Advanced Education	\$ 24,098	\$ 30,839	\$ 110,804	\$ 110,344
Other Ministries	11,863	11,057	13,575	12,748
Total for the year	<u>\$ 35,961</u>	<u>\$ 41,896</u>	<u>\$ 124,379</u>	<u>\$ 123,092</u>

  

	Receivable from		Payable to	
	2010	2009	2010	2009
Ministry of Advanced Education	\$ 2,662	\$ 147	\$ 10,646	\$ 12,734
Other Ministries	1,863	2,550	49	4,669
Balance at end of the year	<u>\$ 4,525</u>	<u>\$ 2,697</u>	<u>\$ 10,695</u>	<u>\$ 17,403</u>

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

**(b) Primary Care Networks**

AHS has joint control with various physician groups over Primary Care Networks (PCN). AHS entered into local primary care initiative agreements to jointly manage and operate the delivery of primary care services, to achieve the PCN business plan objectives, and to contract and hold property interests required in the delivery of PCN services. Both parties have equal share ownership and equal Board representation. The following PCNs are included in these consolidated financial statements under the proportionate consolidation method:

**Note 19 Related Parties (continued)**

Alberta Heartland Primary Care Network	Mosaic Primary Care Network
Big Country Primary Care Network	Northwest Primary Care Network
Bonnyville / Aspen Primary Care Network	Palliser Primary Care Network
Bow Valley Primary Care Network	Peace River Primary Care Network
Calgary Foothills Primary Care Network	Provost – Consort Primary Care Network
Calgary Rural Primary Care Network	Red Deer Primary Care Network
Calgary West Central Primary Care Network	Rocky Mountain House Primary Care Network
Camrose Local Primary Care Initiative	Sexsmith Primary Care Network
Chinook Primary Care Network	Sherwood Park Primary Care Network
Edmonton North Primary Care Network	South Calgary Primary Care Network
Edmonton Oliver Primary Care Network	St. Albert and Sturgeon Primary Care Network
Edmonton Southside Primary Care Network	St. Paul / Aspen Primary Care Network
Edmonton West Primary Care Network	West Peace Primary Care Network
Highland Primary Care Network	Westview Primary Care Network
Leduc Beaumont Devon Primary Care Network	Wolf Creek Primary Care Network
MacLeod River Primary Care Network	Wood Buffalo Primary Care Network

AHS's proportionate share of AHW's contribution to PCNs are as follows:

	<u>2010</u>	<u>2009</u>
Opening balance of deferred contributions	\$ 39,194	\$ 37,135
Contributions from AHW	56,788	41,932
Contributions recognized as revenue	<u>(54,156)</u>	<u>(39,873)</u>
Closing balance of deferred contributions	<u>\$ 41,826</u>	<u>\$ 39,194</u>

**Note 19 Related Parties (continued)**
**(c) Foundations**

A large number of foundations provide donations of money and services to AHS to enhance health care in various communities throughout the Province. This financial support to AHS is reflected in donations revenue and capital contributions. These foundations are registered charities under the Income Tax Act (Canada) and accordingly, are exempt from income taxes, provided certain requirements of the Income Tax Act are met.

**(i) Controlled foundations**

A number of foundations are considered to be controlled entities as AHS appoints all trustees for such foundations. Controlled foundations are not consolidated in these financial statements.

The Alberta Cancer Foundation (ACF) and the Calgary Health Trust (CHT) are the most significant controlled foundations. The following aggregated financial information of ACF and CHT is presented using the same accounting policies as AHS:

	2010		2009	
	ACF	CHT	ACF	CHT
Revenue	\$ 27,263	\$ 59,456	\$ 20,130	\$ 51,530
Expenses	29,420	58,146	21,505	50,518
Excess (deficiency) of revenue over expenses	\$ (2,157)	\$ 1,310	\$ (1,375)	\$ 1,012
Total assets	\$ 95,634	\$ 88,448	\$ 81,087	\$ 95,675
Total liabilities	28,835	68,670	23,776	80,886
Net assets	\$ 66,799	\$ 19,778	\$ 57,311	\$ 14,789

**Note 19 Related Parties (continued)**

Financial information for the remaining controlled foundations is not disclosed because AHS does not receive financial information from all these foundations on a timely basis and the cost and effort of preparing financial information for disclosure exceeds the benefit of doing so. These foundations are immaterial organizations individually and in aggregate relative to AHS. The following are the remaining foundations controlled by AHS as at March 31, 2010:

Alberta Hospital Edmonton and Community Mental Health Foundation	Fort Saskatchewan Community Hospital Foundation
Bassano and District Health Foundation	Grand Cache Hospital Foundation
Bow Island and District Health Foundation	Grimshaw/Berwyn Hospital Foundation
Brooks and District Health Foundation	Jasper Health Care Foundation
Canmore and Area Health Care Foundation	Medicine Hat and District Health Foundation
Capital Care Foundation	North County Health Foundation
Cardston and District Health Foundation	Oyen and District Health Care Foundation
Claresholm and District Health Foundation	Strathcona Community Hospital Foundation
Crowsnest Pass Health Foundation	Tofield and Area Health Services Foundation
David Thompson Health Trust	Viking Health Foundation
Fort Macleod and District Health Foundation	Windy Slopes Health Foundation

**Note 19 Related Parties (continued)**

The following foundations are also considered controlled, but are in the process of being wound-up or are considered to be inactive:

Central Peace Hospital Foundation	McLennan Community Health Care Foundation
Peace Health Region Foundation	Lakeland Regional Health Authority
Manning Community Health Centre Foundation	Foundation

(ii) Other foundations

AHS has an economic interest in a number of foundations as they raise and hold resources to support AHS. AHS appoints one board trustee for such foundations. Financial information for these foundations is not disclosed because AHS does not receive financial information from all these foundations on a consistent and timely basis and the cost and effort of preparing financial information for disclosure exceeds the benefit of doing so. The following are the foundations that AHS has an economic interest in as of March 31, 2010:

Alberta Children's Hospital Foundation	Rosebud Health Foundation
Beaverlodge Hospital Foundation	Royal Alexandra Hospital Foundation
Black Gold Health Foundation	Sheep River Health Trust
Chinook Regional Hospital Foundation	St. Paul and District Hospital Foundation
Consort Hospital Foundation	Stettler Health Services Foundation
Coronation Heath Centre Foundation	Stollery Children's Hospital Foundation
Daysland Hospital Foundation	Strathmore District Health Foundation
Devon General Hospital Foundation	Sturgeon Community Hospital Foundation
Drayton Valley Health Services Foundation	Taber and District Health Foundation
Drumheller Area Health Foundation	Tri-Community Health and Wellness Foundation
Fairview Health Complex Foundation	University Hospital Foundation
Glenrose Rehabilitation Hospital Foundation	Valleyview Health Centre Foundation
High River District Health Care Foundation	Wainwright and District Community Foundation
Hinton Health Care Foundation	Wetaskiwin Health Foundation
Hythe Nursing Home Foundation	
Northern Lights Regional Health Foundation	
Northwest Health Foundation	
Queen Elizabeth II Hospital Foundation	



**Note 19 Related Parties (continued)**
**(d) Contracts with Health Service Providers**

AHS is responsible for the delivery of health services in the Province. To this end, AHS contracts with various private and voluntary health service providers to continue to provide health services throughout the Province. The largest of these service providers is Covenant Health; the total amount funded to Covenant Health during the year was \$551,098 (2009 - \$503,678). As of March 31, 2010, the net book value of assets owned by AHS but operated by a voluntary or private health service provider was \$141,844 (2009 - \$141,374).

AHS has an economic interest through its contracts with certain voluntary and private health service providers as AHS transfers significant resources as follows:

	2010			2009		
	Voluntary Health Service Providers	Private Health Service Providers	Total	Voluntary Health Service Providers	Private Health Service Providers	Total
Direct AHS funding	\$816,197	\$778,183	\$1,594,380	\$793,723	\$649,703	\$1,443,426
Direct AHW funding	-	986	986	-	1,219	1,219
Fees and charges	95,490	94,284	189,774	94,884	86,552	181,436
Full cost adjustments	14,387	83	14,470	14,288	82	14,370
<b>Total</b>	<b>\$926,074</b>	<b>\$873,536</b>	<b>\$1,799,610</b>	<b>\$902,895</b>	<b>\$737,556</b>	<b>\$1,640,451</b>

**(e) Health Organizations Benefit Plan**

AHS is a participant in the Health Organizations Benefit Plan (HOBP) which is a formal health and welfare trust established under a Trust Agreement effective January 1, 2000. HOBP provides health and other related employee benefits pursuant to the authorizing Trust Agreement. HOBP uses various carriers for the different benefits. As a trust, HOBP is exempt from the payment of income taxes.

AHS is one of more than thirty participants in HOBP and has the majority of representation on HOBP's governance board. It is recognized that as individuals and as the HOBP board collectively, the board has a fiduciary duty to act in the best interest of all participants and HOBP itself.

Under the terms of the Trust Agreement, no participating employer or eligible employee shall have any right to any surplus or assets of the Trust nor shall they be responsible for any deficits or liabilities of the Trust. HOBP maintains various reserves to adequately provide for all current obligations, and reported fund balances of \$29,594 as at December 31, 2009 (\$19,339 as at December 31, 2008). AHS paid premiums of \$38,159 (2009 - \$30,663).

**Note 19 Related Parties (continued)**
**(f) Liability and Property Insurance Plan**

AHS is a subscriber to the Provincial Health Authorities of Alberta Liability and Property Insurance Plan (LPIP) which is a reciprocal insurance exchange duly established under the *Insurance Act* (Alberta). The main purpose of LPIP is to share the risks of liability to lessen the impact on any one subscriber. LPIP is administered pursuant to the terms and conditions of the Reciprocal Insurance Exchange Agreement to which all subscribers are signatories. As a reciprocal LPIP is exempt from the payment of income tax but is subject to the provincial premium tax.

LPIP provides its subscribers with general and professional liability coverage and insures some of its subscriber's buildings and contents. AHS claims are subject to a maximum limit of \$5 million per occurrence with an additional \$5 million limit per occurrence. The additional limit is subject to an absolute limit of \$15 million in aggregate for all occurrences for each policy year. Claims in excess of these limits are the responsibility of AHS as the subscriber. Neither AHS nor LPIP purchase any reinsurance.

Under the terms of the agreement, in the event that LPIP has accumulated funds in excess of those required to meet its obligations, those funds may be invested to accrue to the benefit of LPIP, provided in the form of a cash dividend to its subscribers, or applied to reduce premiums to LPIP in any subsequent underwriting year. As per the Insurance Act, LPIP maintains a reserve fund and a guarantee fund. If there are insufficient funds, LPIP will collect such additional assessments from its subscribers as required.

The most recent financial results of LPIP are as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Total assets	\$ 87,468	\$ 75,959
Total liabilities	<u>73,605</u>	<u>61,534</u>
Net assets	\$ <u>13,863</u>	\$ <u>14,425</u>
Revenues	\$ 12,332	\$ 11,950
Expenses	<u>19,714</u>	<u>15,439</u>
Underwriting loss	(7,382)	(3,489)
Investment income/(loss)	<u>6,820</u>	<u>(1,249)</u>
Net loss	\$ <u>(562)</u>	\$ <u>(4,738)</u>

Included in liabilities is an actuarial provision for losses of \$68,865 (2008 - \$58,193). \$51,275 (2008 - \$44,892) of this provision is for liabilities incurred but not reported. Included in revenues are premiums paid by AHS of \$9,746 (2008 - \$9,461).

**Note 19 Related Parties (continued)**

AHS is one of more than fifty subscribers to LPIP and has the majority of representation on LPIP's governance board. It is recognized that as individuals and as the LPIP board collectively, the board has a fiduciary duty to act in the best interest of all subscribers and LPIP itself.

**Note 20 Trust Funds**

AHS receives funds in trust from AHW that are to be paid to operators of non-owned facilities for capital purposes or facility repairs, and for specific projects. In addition, AHS receives funds in trust for research and development, education and other programs. AHS receives funds in trust from AHW for some Primary Care Networks; AHS uses these funds to cover the Primary Care Networks' expenditures until they make their own banking arrangements. These amounts are not reported in these consolidated financial statements. As at March 31, 2010, the balance of funds held by AHS is as follows:

	2010	2009
AHW	\$ 694	\$ 12,723
Research and development, education and other programs	6,558	7,081
Primary Care Networks	3,943	3,159
	\$ 11,195	\$ 22,963

AHS also receives funds in trust from continuing care residents for personal expenses. These amounts are not included above and not reflected in these consolidated financial statements.

**Note 21 Approval of Consolidated Financial Statements**

The consolidated financial statements have been approved by the Alberta Health Services Board.



**CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT  
FOR THE YEAR ENDED MARCH 31, 2010**

	2010		2009
	Budget (Note 3)	Actual	Actual (Note 4 (b))
Salaries and benefits (Schedule 2)	\$ 5,493,130	\$ 5,483,260	\$ 5,021,985
Contracts with health service providers (Note 19 (d))	1,716,568	1,799,610	1,640,451
Contracts under the Health Care Protection Act	23,855	23,866	22,125
Drugs and gases	334,595	332,600	317,163
Medical and surgical supplies	336,491	320,135	321,173
Other contracted services	1,148,410	1,101,908	921,762
Other *	1,195,176	1,004,079	1,069,552
Amortization:			
Equipment – internally funded	81,265	81,985	80,670
Equipment – externally funded	149,405	169,909	153,509
Facilities and improvements – internally funded	14,354	24,474	18,995
Facilities and improvements – externally funded	144,531	132,171	148,826
Loss on disposal of assets	15,081	364	11,841
Capital assets write down (Note 9 (c))	-	2,682	13,810
	<u>\$10,652,861</u>	<u>\$ 10,477,043</u>	<u>\$ 9,741,862</u>
* Significant amounts included in Other are:			
Other clinical supplies	\$ 114,666	\$ 119,717	\$ 116,380
Utilities	120,994	94,622	113,345
Equipment and software maintenance	101,312	94,429	91,131
Minor equipment purchases	43,578	73,139	66,141
Rent	69,849	72,815	59,099
Food supplies	70,126	68,397	69,796
Travel	94,778	66,066	104,553

**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

	2010					Severance <sup>(e)</sup>			2009	
	Number of FTE's <sup>(a)</sup>	Base Salary <sup>(b)</sup>	Other Cash Benefits <sup>(c)</sup>	Non-Cash Benefits <sup>(d)(f)</sup>	Subtotal	Number of Individuals	Amount	Total	FTE's <sup>(a)</sup>	Total
<b>Board Chair</b>										
Ken Hughes	1.00	\$ -	\$ 104	\$ -	\$ 104	-	\$-	\$ 104	0.88	\$ 77
<b>Board Members</b>										
Jack Ady	1.00	-	62	-	62	-	-	62	0.88	49
Lori Andreachuk	1.00	-	61	-	61	-	-	61	0.33	20
Gord Bontje	1.00	-	60	-	60	-	-	60	0.33	22
Teri Lynn Bougie	1.00	-	61	-	61	-	-	61	0.33	20
Jim Clifford	1.00	-	61	-	61	-	-	61	0.33	23
Strater Crowfoot	1.00	-	59	-	59	-	-	59	0.33	22
Tony Franceschini	1.00	-	58	-	58	-	-	58	0.33	20
Linda Hohol	1.00	-	59	-	59	-	-	59	0.88	48
Andreas Laupacis	1.00	-	60	-	60	-	-	60	0.33	20
John Lehnrs	1.00	-	65	-	65	-	-	65	0.88	49
Irene Lewis	1.00	-	60	-	60	-	-	60	0.88	49
Catherine Roozen	1.00	-	53	-	53	-	-	53	0.63	27
Don Sieben	1.00	-	75	-	75	-	-	75	0.88	51
Gord Winkel	1.00	-	-	-	-	-	-	-	0.33	-
Pierre Crevolin	-	-	-	-	-	-	-	-	0.21	10
Board members of former health authorities and boards	-	-	-	-	-	-	-	-	14.84	482
<b>Total Board</b>	<b>15.00</b>	<b>\$ -</b>	<b>\$ 898</b>	<b>\$ -</b>	<b>\$ 898</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 898</b>	<b>23.60</b>	<b>\$ 989</b>

**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

	2010					Severance <sup>(e)</sup>		2009		
	Number of FTE's <sup>(a)</sup>	Base Salary <sup>(b)</sup>	Other Cash Benefits <sup>(c)</sup>	Other Non-Cash Benefits <sup>(d)(f)</sup>	Subtotal	Number of Individuals	Amount	Total	Number of FTE's <sup>(a)</sup>	Total
<b>Board Direct Reports</b>										
President and Chief Executive Officer <sup>(g)(h)(aa)</sup>	1.00	\$ 595	\$ 139	\$ 10	\$ 744	-	\$ -	\$ 744	0.02	\$ 116
Interim Chief Executive Officer	-	-	-	-	-	-	-	-	0.88	481
Interim VP Internal Audit and Enterprise Risk Management – Contracted Services	0.09	42	-	-	42	-	-	42	-	-
VP Internal Audit and Enterprise Risk Management <sup>(n)(hh)</sup>	0.52	121	31	52	204	1.00	362	566	0.85	280
VP Internal Audit and Enterprise Risk Management <sup>(o)</sup>	0.42	81	6	17	104	-	-	104	-	-
Ethics and Compliance Officer <sup>(gg)</sup>	0.98	216	2	31	249	-	-	249	-	-
Board direct reports of former health authorities and boards	-	-	-	-	-	-	-	-	13.28	15,258
<b>CEO Direct Reports</b>										
Executive VP and Chief Financial Officer <sup>(h)(s)(bb)</sup>	0.97	372	89	31	492	-	-	492	-	-
Executive VP, Corporate Services <sup>(h)(q)(bb)</sup>	0.74	289	81	23	393	-	-	393	-	-
Acting Executive VP, Corporate Services <sup>(p)(q)</sup>	0.33	65	-	16	81	-	-	81	0.33	91
Executive VP, Quality and Service Improvement <sup>(h)(j)(l)(r)(cc)</sup>	1.00	486	111	215	812	-	-	812	1.00	825
Executive VP, Rural, Public and Community Health <sup>(i)(w)(dd)</sup>	1.00	374	60	87	521	-	-	521	1.00	717
Executive VP, Strategy and Performance <sup>(h)(t)(bb)</sup>	0.41	158	67	21	246	-	-	246	-	-
Acting Executive VP, Strategy and Performance <sup>(h)(j)(u)(hh)</sup>	0.75	257	102	62	421	1.00	61	482	1.00	978
Senior VP, Clinical Support Services <sup>(i)(v)(ee)</sup>	1.00	329	47	50	426	-	-	426	1.00	390
Senior Physician Executive <sup>(j)(m)(ff)</sup>	1.00	499	86	141	726	-	-	726	1.00	700
VP Community Engagement and Chief of Staff, Board Office <sup>(k)(s)(gg)</sup>	0.37	57	12	9	78	-	-	78	-	-
Chief of Staff, Board Office <sup>(y)(hh)</sup>	0.58	112	33	34	179	-	-	179	-	-
Interim Chief Operating Officer, Health Strategies, Research and Design <sup>(z)(hh)</sup>	0.08	29	14	46	89	-	-	89	1.00	745
Interim Chief Operating Officer, Corporate Services	-	-	-	-	-	-	-	-	0.45	187
Executive Operating Officer, Continuum of Care	-	-	-	-	-	-	-	-	0.71	1,861
Interim Chief Financial Officer	-	-	-	-	-	-	-	-	1.00	1,854
CEO direct reports of former health authorities and boards	-	-	-	-	-	-	-	-	58.25	21,398
<b>Total Executive</b>	<b>11.24</b>	<b>\$4,082</b>	<b>\$ 880</b>	<b>\$ 845</b>	<b>\$ 5,807</b>	<b>2.00</b>	<b>\$ 423</b>	<b>\$ 6,230</b>	<b>81.77</b>	<b>\$ 45,881</b>

**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

	2010					Severance <sup>(e)</sup>		2009		
	Number of FTE's <sup>(a)</sup>	Base Salary <sup>(b)</sup>	Other Cash Benefits <sup>(c)</sup>	Other Non-Cash Benefits <sup>(d)(f)</sup>	Subtotal	Number of Individuals	Amount		Number of FTE's <sup>(a)</sup>	Total
							Total	Total		
Management reporting to CEO direct reports	42.78	\$ 8,987	\$ 698	\$ 1,006	\$ 10,691	3.00	\$ 495	\$ 11,186	1,613.10	\$ 199,311
Other management	3,472.32	341,622	18,897	70,959	431,478	233.00	23,601	455,079	2,000.00	229,833
Medical doctors not included above	172.44	39,246	1,915	1,784	42,945	-	-	42,945	145.80	38,293
Regulated nurses not included above										
RNs, Reg. Psych. Nurses, Grad	16,764.59	1,393,227	147,697	260,926	1,801,850	448.00	23,644	1,825,494	16,798.32	1,703,557
LPNs	3,307.90	185,382	17,459	33,571	236,412	4.00	214	236,626	3,173.29	212,174
Other health technical and professional	12,580.79	920,933	62,565	182,842	1,166,340	69.00	2,433	1,168,773	11,514.77	1,009,512
Unregulated health service providers	6,047.78	256,139	17,952	46,315	320,406	18.00	866	321,272	5,923.17	288,813
Other staff	22,132.96	1,094,576	56,952	220,702	1,372,230	143.00	9,527	1,381,757	21,945.59	1,286,622
Costs to transfer employees to LAPP	-	-	-	33,000	33,000	-	-	33,000	-	7,000
	<u>64,521.56</u>	<u>4,240,112</u>	<u>324,135</u>	<u>851,105</u>	<u>5,415,352</u>	<u>918.00</u>	<u>60,780</u>	<u>5,476,132</u>	<u>63,114.04</u>	<u>4,975,115</u>
<b>Total</b>	<u>64,547.80</u>	<u>\$4,244,194</u>	<u>\$325,913</u>	<u>\$851,950</u>	<u>\$5,422,057</u>	<u>920.00</u>	<u>\$61,203</u>	<u>\$5,483,260</u>	<u>63,219.41</u>	<u>\$ 5,021,985</u>

**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

Supplemental Pension Plan (SPP)

	2010			2009		Accrued Benefit Obligation March 31, 2009	Change in Accrued Benefit Obligation	Accrued Benefit Obligation March 31, 2010
	Current Service Cost	Other SERP Costs	Total	Total				
President and Chief Executive Officer	\$ -	\$ -	\$-	\$ -	\$ -	\$ -	\$ -	\$ -
Interim VP Internal Audit and Enterprise Risk Management – Contracted Service	-	-	-	-	-	-	-	-
VP Internal Audit and Enterprise Risk Management <sup>(n)</sup>	26	17	43	37	197	8	205	
VP Internal Audit and Enterprise Risk Management <sup>(o)</sup>	-	-	-	-	-	-	-	-
Ethics and Compliance Officer	-	-	-	-	-	-	-	-
Executive VP and Chief Financial Officer	-	-	-	-	-	-	-	-
Executive VP, Corporate Services	-	-	-	-	-	-	-	-
Acting Executive VP, Corporate Services	-	-	-	-	-	-	-	-
Executive VP, Quality and Service Improvement	95	84	179	199	915	225	1,140	
Executive VP, Rural, Public and Community Health	28	34	62	310	394	244	638	
Executive VP, Strategy and Performance	-	-	-	-	-	-	-	-
Acting Executive VP, Strategy and Performance	30	16	46	26	141	(32)	109	
Senior VP, Clinical Support Services	24	3	27	31	49	31	80	
Senior Physician Executive	79	30	109	97	334	57	391	
VP Community Engagement and Chief of Staff, Board Office	-	-	-	-	-	-	-	-
Chief of Staff, Board Office	17	8	25	29	87	(87)	-	
Interim Chief Operating Officer, Health Strategies, Research and Design	37	9	46	53	210	15	225	



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**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

- a. Full time equivalents (FTE's) for Board Members are prorated using the number of days in the fiscal year between either the date of appointment or termination date (if applicable) and the end of the year. FTE's for staff are determined at the rate of 2,022.75 annual hours for each full-time employee. Total actual discrete number of individuals employed during the fiscal year was 94,715.
- b. Base salary includes pensionable base pay as well as statutory and vacation accruals relating to the current fiscal year.
- c. Other cash benefits include honoraria, bonuses, overtime, vacation payouts and lump sum payments.
- d. Other non-cash benefits include:
- Employer's current and prior service cost of supplemental pension plans <sup>(f)</sup>.
  - Share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.
  - 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 or voluntary exit, which are not included in other cash benefits.
- f. Supplemental Pension Plans (SPP)
- Under the SPP certain employees will receive retirement benefits that supplement the benefits limited under the registered plans for service post 1991 based on the employee's service and earnings. The SPP costs are not cash payments in the period but are the cost for the period for rights to these future retirement benefits. Current service cost is the actuarial present value of the benefits earned in the fiscal year. Other SPP costs include interest cost on the obligations and current service cost, the amortization of past service cost, initial obligations and net actuarial gains and losses, offset by the expected return on the plans' assets. Changes in the accrued benefit obligation include current service cost, interest accruing on the obligations and the current service cost as well as the full amount of any actuarial gains or losses in the period. The SPP is disclosed in Notes 2(i) and 14(c).
- g. Incumbent's other non-cash benefits include an amount for the maximum contribution to a registered retirement savings plan. Upon the completion of each five full years of employment the incumbent will be entitled to one year of paid sabbatical leave. An amount will be recorded in the accounts of AHS at the end of each full five years of employment.
- h. Incumbents are provided with an automobile allowance. Dollar amounts are included in other cash benefits <sup>(c)</sup>.

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**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

- i. Incumbents are provided with an automobile. Dollar amounts are not included in other non-cash benefits <sup>(d)</sup>.
- j. Incumbent's other cash benefits include a lump-sum retroactive premium payment relating to the prior year.
- k. Incumbent's other cash benefits include a lump-sum retroactive salary payment relating to the prior year.
- l. Incumbent is on secondment from the University of Calgary. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Calgary. AHS reimburses the University for the incumbent's rank salary, honorarium and market supplements; all amounts have been included in base salary.
- m. Incumbent is on secondment from the University of Calgary. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Calgary. AHS reimburses the University for the incumbent's rank salary; all amounts have been included in base salary.

**Appointments and Departures**

- n. Position held by incumbent until October 9, 2009.
- o. Position held by incumbent from October 5, 2009 until March 5, 2010.
- p. Incumbent held the position of Special Assistant to the Chief Operating Officer, Corporate Services until May 12, 2009 at which time the incumbent was appointed to Acting Executive VP, Corporate Services until July 31, 2009.
- q. From July 6 – 31, 2009 this position was held by two incumbents as the acting incumbent <sup>(p)</sup> remained on acting in a transitional capacity until that date.
- r. Incumbent held the position of Chief Operating Officer, Urban until May 12, 2009 at which time the position was eliminated and the incumbent was appointed to Executive VP, Quality and Service Improvement.
- s. Incumbent appointed to position effective April 14, 2009.
- t. Incumbent appointed to position effective November 4, 2009.
- u. Incumbent held the position of Interim Chief Operating Officer, Change Management until May 12, 2009 at which time the position was eliminated and the incumbent was appointed to the position of Acting Executive VP, Strategy and Performance until November 4, 2009. The incumbent held two other positions throughout the year: Acting Executive VP and Chief Financial Officer (April 1 – 14, 2009) and Special Assistant to the Chief Executive Officer, Corporate Services (May 12, 2009 – January 2, 2010). The Special Assistant position has been vacant since the incumbent's departure.

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**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

- v. Incumbent held the position of Chief Operating Officer, Performance Improvement and Clinical Support Services until May 12, 2009 at which time the position was eliminated and the incumbent was appointed to Senior VP, Clinical Support Services.
- w. Incumbent held the position of Chief Operating Officer, Community and Rural until May 12, 2009 at which time the position was eliminated and the incumbent was appointed to Executive VP, Rural, Public and Community Health.
- x. Incumbent appointed to position effective November 2, 2009.
- y. Position held by incumbent until November 2, 2009.
- z. Position held by incumbent until April 30, 2009 at which time the position was eliminated.

**Termination Liabilities**

- aa. In the case of termination without just cause by AHS, the incumbent shall receive the salary and other accrued entitlements to the date of termination. In addition, the incumbent will receive severance pay equal to 12 months base salary at the rate in effect at the date of termination. The incumbent will also be paid 15% of the severance in lieu of all other benefits as well as relocation expenses not to exceed \$20,000.
- bb. In the case of termination without just cause by AHS, the incumbent shall receive the salary and other accrued entitlements to the date of termination. In addition, the incumbent will receive severance pay equal to 12 months base salary at the rate in effect at the date of termination. The incumbent will also be paid 15% of the severance in lieu of all other benefits.
- cc. In the case of termination without just cause by AHS, the incumbent shall receive the salary and other accrued entitlements to the date of termination. In addition, the incumbent will receive a maximum severance pay of 17 months base salary<sup>(1)</sup> and premium payments at the rate in effect at the date of termination. The incumbent will also receive the incentive bonus for the prior two years divided by 24 months multiplied by a maximum of 17 months and up to 17 months of the total cost of the incumbent's benefits. AHS will also make payment for the incumbent to attend an outplacement program for 6 months.

**CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS  
FOR THE YEAR ENDED MARCH 31, 2010**

- dd. In the case of termination without just cause by AHS, the incumbent shall receive the salary and other accrued entitlements to the date of termination. In addition, the incumbent will receive severance pay equal to 24 months base salary at the rate in effect at the date of termination. The incumbent will also be paid an amount equal to 24 months of AHS’s cost of benefits.
- ee. In the case of termination without just cause by AHS, the incumbent shall receive the salary and other accrued entitlements to the date of termination. In addition, the incumbent will be provided with a severance package equivalent to 12 months salary and benefits plus one additional month per year of service provided to a maximum of 24 months.
- ff. In the case of termination without just cause by AHS, the incumbent shall receive the salary and other accrued entitlements to the date of termination. In addition, the incumbent will receive severance pay equal to a maximum of 18 months base salary <sup>(m)</sup> and premium payments at the rate in effect at the date of termination. The incumbent will also be paid an amount up to 18 months of the total cost of the incumbent’s benefits. AHS will also make payment for the incumbent to attend an outplacement program for 6 months.
- gg. The incumbent’s termination benefits have not been predetermined.
- hh. Based on the provisions of the applicable SPP <sup>(f)</sup>, the following outlines the benefits received by individuals who departed within the 2009-2010 fiscal period:

Position	Benefit (not in thousands)	Frequency	Payment Terms
VP Internal Audit and Enterprise Risk Management <sup>(n)</sup>	\$ 1,170	Monthly	Indefinite
Acting Executive VP, Strategy and Performance	110,067	Lump-Sum	One-Time
Chief of Staff, Board Office	92,720	Lump-Sum	One-Time
Interim Chief Operating Officer, Health Strategies, Research and Design	1,341	Monthly	Indefinite

**CONSOLIDATED SCHEDULE OF BUDGET  
FOR THE YEAR ENDED MARCH 31, 2010**

	Original Financial Plan	Additional Reclassifications	Reported Budget
<b>Revenue</b>			
Alberta Health and Wellness contributions	\$ 8,399,000	\$ 31,022	\$ 8,430,022
Other government contributions	70,000	10,980	80,980
Fees and charges	575,000	9,991	584,991
Ancillary operations	113,000	(4,419)	108,581
Donations	19,000	(3,332)	15,668
Investment and other income	286,000	(39,016)	246,984
Amortization of external capital contributions	300,000	635	300,635
<b>TOTAL REVENUE</b>	<b>9,762,000</b>	<b>5,861</b>	<b>9,767,861</b>
<b>Expenses</b>			
Inpatient acute nursing services	2,575,000	158,440	2,733,440
Emergency and outpatient services	1,199,000	(52,619)	1,146,381
Facility-based continuing care services	872,000	(84,138)	787,862
Ambulance services	329,000	(13,082)	315,918
Community-based care	603,000	127,069	730,069
Home care	388,000	(20,193)	367,807
Diagnostic and therapeutic services	1,806,000	(82,992)	1,723,008
Promotion, prevention and protection services	345,000	(4,611)	340,389
Research and education	256,000	(52,341)	203,659
Administration	340,000	99,696	439,696
Information technology	289,000	(37,840)	251,160
Support services	1,491,000	(59,012)	1,431,988
Amortization of facilities and improvements	154,000	13,584	167,584
Funded transition costs	-	13,900	13,900
<b>TOTAL EXPENSES</b>	<b>10,647,000</b>	<b>5,861</b>	<b>10,652,861</b>
Deficiency of revenue over expenses	\$ (885,000)	\$ -	\$ (885,000)

	Original Financial Plan	Additional Reclassifications	Reported Budget
Expenses by object			
Salaries and benefits	\$ 5,482,000	\$ 11,130	\$ 5,493,130
Contracts with health service providers	1,808,000	(91,432)	1,716,568
Contracts under the Health Care Protective Act	23,000	855	23,855
Drugs and gases	386,000	(51,405)	334,595
Medical and surgical supplies	410,000	(73,509)	336,491
Other contracted services	1,014,000	134,410	1,148,410
Other	1,058,000	137,176	1,195,176
Amortization			
Equipment – internally funded	86,000	(4,735)	81,265
Equipment – externally funded	227,000	(77,595)	149,405
Facilities and improvements – internally funded	79,000	(64,646)	14,354
Facilities and improvements – externally funded	73,000	71,531	144,531
Loss on disposal of capital assets	1,000	14,081	15,081
<b>TOTAL EXPENSES BY OBJECT</b>	<b>\$ 10,647,000</b>	<b>\$ 5,861</b>	<b>\$ 10,652,861</b>

**CONSOLIDATED SCHEDULE OF COMPARATIVES  
FOR THE YEAR ENDED MARCH 31, 2010**

	As Previously Reported by Former Health Entities	Eliminations	Reclassifications and Adjustments	As Restated
<b>Revenue</b>				
Alberta Health and Wellness contributions	\$ 8,224,844	\$ (12,307)	\$ 15,125	\$ 8,227,662
Other government contributions	173,545	(82,305)	(24,594)	66,646
Fees and charges	544,417	(201)	(1,600)	542,616
Ancillary operations	115,329	-	2,323	117,652
Donations	24,959	-	414	25,373
Research and education	58,690	-	(58,690)	-
Investment and other income	281,437	(74,453)	75,698	282,682
Amortized external capital contributions	323,009	-	(79)	322,930
<b>TOTAL REVENUE</b>	<b>\$ 9,746,230</b>	<b>\$ (169,266)</b>	<b>\$ 8,597</b>	<b>\$ 9,585,561</b>
<b>Expenses</b>				
Inpatient acute nursing services	\$ 2,421,861	\$ (19,938)	\$ (3,172)	\$ 2,398,751
Emergency and outpatient services	1,142,718	(17,510)	(26,002)	1,099,206
Facility-based continuing care services	759,204	(282)	(2,692)	756,230
Ambulance services	19,805	-	24,165	43,970
Community-based care	541,496	(34,705)	39,189	545,980
Home care	401,143	(965)	(7,019)	393,159
Diagnostic and therapeutic services	1,741,377	(25,643)	1,746	1,717,480
Promotion, prevention and protection services	298,979	(1,551)	(434)	296,994
Research and education	229,866	(816)	(1,684)	227,366
Administration	346,997	(31,967)	9,326	324,356
Information technology	290,885	(1,740)	(8,195)	280,950
Support services	1,479,952	(8,514)	(29,780)	1,441,658
Amortization of facilities and improvements	162,052	-	(661)	161,391
Capital assets write down	-	-	13,810	13,810
Funded transition costs	66,196	(25,635)	-	40,561
<b>TOTAL EXPENSES</b>	<b>\$ 9,902,531</b>	<b>\$ (169,266)</b>	<b>\$ 8,597</b>	<b>\$ 9,741,862</b>

	As Previously Reported by Former Health Entities	Eliminations	Reclassifications and Adjustments	As Restated
<b>Assets</b>				
Cash	\$ 1,048,310	\$ -	\$ 95,913	\$ 1,144,223
Accounts receivable	214,797	(54,097)	(1,479)	159,221
Contributions receivable from Alberta Health and Wellness	35,671	-	512	36,183
Inventories	91,108	-	1	91,109
Prepaid expenses	46,508	(515)	51	46,044
Investments (non-current cash)	1,903,219	-	(95,900)	1,807,319
Capital assets	5,539,415	-	(8)	5,539,407
Capital contributions receivable from Alberta Health and Wellness	23,641	-	(7,141)	16,500
Contributions receivable	44,699	-	(44,699)	-
Non-current advances – continuing care partnerships	8,381	-	(8,381)	-
Loans - continuing care partnership projects	68,155	-	(68,155)	-
Other assets	33,378	(14,381)	125,789	144,786
<b>TOTAL ASSETS</b>	<b>\$ 9,057,282</b>	<b>\$ (68,993)</b>	<b>\$ (3,497)</b>	<b>\$ 8,984,792</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 969,667	\$ (68,993)	\$ 2,049	\$ 902,723
Accrued vacation pay	339,511	-	(8,912)	330,599
Deferred contributions current	551,340	-	79,280	630,620
Current portion of long-term debt	12,717	-	(649)	12,068
Deferred contributions non-current	121,080	-	60,266	181,346
Deferred contributions – continuing care partnership projects	92,769	-	(92,769)	-
Deferred contributions – Healthy Aging Partnership	2,704	-	(2,704)	-
Deferred capital contributions	1,740,794	-	(44,018)	1,696,776
Long-term debt	190,978	-	(1,762)	189,216
Asset retirement obligation	9,928	-	(9,928)	-
Long-term employee benefit liabilities	9,429	-	(9,429)	-
Life lease deposit	13,625	-	(13,625)	-
Other liabilities	6,343	-	39,081	45,424
Unamortized external capital contributions	4,675,236	-	(6)	4,675,230
<b>TOTAL LIABILITIES</b>	<b>\$ 8,736,121</b>	<b>\$ (68,993)</b>	<b>\$ (3,126)</b>	<b>\$ 8,664,002</b>
<b>Net assets <sup>(a)</sup></b>				
Accumulated surplus (deficit)	\$ (342,818)	\$ -	\$ (401)	\$ (343,219)
Accumulated net unrealized gains (losses) on investments	(17,738)	-	1	(17,737)
Internally restricted net assets invested in capital assets	671,265	-	331	671,596
Endowments	10,452	-	(302)	10,150
<b>TOTAL NET ASSETS</b>	<b>\$ 321,161</b>	<b>\$ -</b>	<b>\$ (371)</b>	<b>\$ 320,790</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,057,282</b>	<b>\$ (68,993)</b>	<b>\$ (3,497)</b>	<b>\$ 8,984,792</b>



	As Previously Reported by Former Health Entities	Eliminations	Reclassifications and Adjustments	As Restated
Expense by object				
Salaries and benefits	\$ 5,024,925	\$ (826)	\$ (2,114)	\$ 5,021,985
Contracts with health service providers	1,710,784	(72,571)	2,238	1,640,451
Contracts under the Health Care Protection Act	21,255	-	870	22,125
Drugs and gases	323,374	(6,229)	18	317,163
Medical and surgical supplies	322,335	(1,043)	(119)	321,173
Other contracted services	956,909	(34,366)	(781)	921,762
Interest on long-term debt	7,091	-	(7,091)	-
Other expenses	1,058,945	(5,206)	15,813	1,069,552
Amortization				
Equipment - internally funded	80,836	-	(166)	80,670
Equipment - externally funded	153,509	-	-	153,509
Facilities and improvements - internally funded	18,995	-	-	18,995
Facilities and improvements - externally funded	148,826	-	-	148,826
Loss on disposal of assets	11,912	-	(71)	11,841
Capital assets write down	13,810	-	-	13,810
Funded transition costs	49,025	(49,025)	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 9,902,531</b>	<b>\$ (169,266)</b>	<b>\$ 8,597</b>	<b>\$ 9,741,862</b>

<sup>(a)</sup> Net asset adjustments include:

- Transfer of expendable investment proceeds from endowments to deferred contributions.
- Transfer of previous repayments of long term debt used to fund capital assets from accumulated surplus (deficit) to internally restricted net assets invested in capital assets.

**UNAUDITED CONSOLIDATED SCHEDULE OF FACILITIES AND SITES  
AS AT MARCH 31, 2010**

The operations of the following facilities and sites are included in these financial statements:

**Calgary and Area**

<b>Location</b>	<b>Facility</b>	<b>Facility Type** A/CC/P/ SL/O</b>	<b>Location</b>	<b>Facility</b>	<b>Facility Type** A/CC/P/ SL/O</b>
Airdrie	Bethany Care Centre - Airdrie	CC	Calgary	Jackson Willan Seniors' Residence	SL
Banff	Mineral Springs Hospital	A,CC			
Black Diamond	Oilfields General Hospital	* A,CC	Calgary	Mayfair Care Centre	CC
Calgary	Agape Hospice	CC	Calgary	McKenzie Towne Care Centre	CC,SL
Calgary	Alberta Children's Hospital	* A	Calgary	Millrise Place	SL
Calgary	Approved Homes – Mental Health	O	Calgary	Mount Royal Care Centre	CC
Calgary	Aspen Family and Community Network (Eating Disorder Clinic)	O	Calgary	Oxford House	O
Calgary	Aventa Addiction Treatment for Women	O	Calgary	Personal Care Homes - Continuing Care	SL
Calgary	Bethany Harvest Hills	CC	Calgary	Peter Lougheed Centre	* A
Calgary	Beverly Centre – Lake Midnapore	CC,SL	Calgary	Recovery Acres	O
Calgary	Bow Crest Care Centre	CC	Calgary	Renfrew Recovery Centre	* O
Calgary	Bow View Manor	CC	Calgary	Rockyview General Hospital	* A
Calgary	Calgary Alpha House	O	Calgary	Salvation Army	O
Calgary	Canadian Mental Health Association	O	Calgary	Scenic Acres Retirement Residence	SL
Calgary	Canadian Mental Health Association (Hamilton House)	O	Calgary	Southern Alberta Forensic Psychiatric Centre	* P
Calgary	Carewest Dr. Vernon Fanning Centre	* CC	Calgary	Sunnyhill Wellness Centre	SL
Calgary	Carewest George Boyack	* CC	Calgary	Sunrise Native Addiction Services Society	O
Calgary	Carewest Royal Park	* CC	Calgary	Wing Kei Care Centre	CC
Calgary	Carewest Sarcee	* CC	Calgary	Youth Detoxification and Residential Services	* O
Calgary	Carewest Signal Pointe	* CC	Calgary	Youville Women's Residence	O
Calgary	Colonel Belcher Care Centre	* CC,SL	Canmore	Canmore General Hospital	* A,CC
Calgary	Eau Claire Retirement Residence	SL	Carmangay	Little Bow Continuing Care Centre	* CC
Calgary	Edgemont Retirement Residence	SL	Claresholm	Lander Treatment Centre	O
Calgary	Father Lacombe Care Centre	CC	Claresholm	Claresholm Centre for Mental Health and Addictions	* P
Calgary	Foothills Medical Centre	* A	Claresholm	Claresholm General Hospital	* A
Calgary	Forest Grove Care Centre	CC	Claresholm	Willow Creek Continuing Care Centre	* CC
Calgary	Fresh Start Recovery Centre	O	Didsbury	Didsbury District Health Services	* A,CC
Calgary	Glamorgan Care Centre	CC	High River	High River General Hospital	* A,CC
Calgary	Intercare Brentwood Care Centre	CC	Okotoks	Foothills Country Hospice	CC
Calgary	Intercare Chinook Care Centre	CC	Strathmore	Strathmore District Health Services	* A,CC
Calgary	Intercare Southwood Care Centre	CC	Vulcan	Extencare Vulcan	CC
			Vulcan	Vulcan Community Health Centre	* A,CC

\*Operated by AHS

\*\* A = Acute care facility, CC = Continuing care facility, P = Psychiatric facility, SL = Supportive Living, O = Other

**Camrose and Area**

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/S L/O</u>
Bashaw	Bashaw Care Centre	* CC	Lloydminster	Slim Thorpe Recovery Centre	O
Camrose	Bethany Meadows	CC,SL	Mannville	Mannville Care Centre	* CC
Camrose	Faith House	SL	Mundare	Mary Immaculate Hospital	CC
Camrose	Louise Jensen Care Centre	CC	Myrnam	Myrnam - Eagleview Lodge	SL
Camrose	Memory Lane	CC	Provost	Provost Health Centre	* A,CC,SL
Camrose	Rosehaven Care Centre	CC	Tofield	Tofield Health Centre	* A,CC
Camrose	St Mary's Hospital	A	Two Hills	Two Hills Health Centre	* A,CC
Camrose	Viewpoint	CC	Vegreville	Century Park	* SL
Daysland	Daysland - Providence Place	SL	Vegreville	Heritage House	SL
Daysland	Daysland Health Centre	* A	Vegreville	Vegreville Care Centre	* CC
Galahad	Galahad Care Centre	* CC	Vermilion	Vermilion Health Centre	* A,CC
Hardisty	Hardisty Health Centre	* A,CC	Vermilion	Vermilion Valley Lodge	SL
Islay	Islay Assisted Living	* SL		Supportive Housing	
Killam	Killam Health Care Centre	A,CC	Viking	Viking Extendicare	CC
Lamont	Lamont Health Care Centre	A,CC	Viking	Viking Health Centre	* A
Lloydminster	Lloydminster - Points West Living	SL	Wainwright	Wainwright Health Centre	* A,CC

**Edmonton and Area**

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>
Alexander Reserve	Kipohtakawmik Elders Lodge	SL	Edmonton	Cross Cancer Institute	* A
Devon	Devon General Hospital	* A,CC	Edmonton	Devonshire Care Centre	CC
Edmonton	Henwood Treatment Centre	* O	Edmonton	Edmonton Chinatown Care Centre	CC,SL
Edmonton	Recovery Centre	* O	Edmonton	Edmonton General Continuing Care Centre	CC
Edmonton	Youth Detoxification and Residential Services	* O	Edmonton	Edmonton People In Need #4 - Batoma House	SL
Edmonton	Alberta Hospital Edmonton	* P	Edmonton	Emmanuel Home	SL
Edmonton	All Seniors Care Rutherford	SL	Edmonton	Excel Society - Grand Manor	SL
Edmonton	Allen Gray Continuing Care Centre	CC	Edmonton	Extendicare Holyrood	CC
Edmonton	Capital Care - Laurier House	* SL	Edmonton	Extendicare Somerset	CC
Edmonton	Capital Care - McConnell Place North	* SL	Edmonton	George Spady Centre Society	O
Edmonton	Capital Care - McConnell Place West	* SL	Edmonton	Glenrose Rehabilitation Hospital	* A
Edmonton	Capital Care Dickensfield	* CC	Edmonton	Good Samaritan Dr. Gerald Zetter Care Centre	CC
Edmonton	Capital Care Dickensfield	* SL	Edmonton	Good Samaritan Wedman House	SL
Edmonton	Duplexes YAP		Edmonton	Grey Nuns Community Hospital	A
Edmonton	Capital Care Grandview	* CC	Edmonton	Innovative Housing - Gravelle	SL
Edmonton	Capital Care Lynnwood	* CC	Edmonton	Innovative Housing – Villa Marguerite	SL
Edmonton	Capital Care Norwood	* CC	Edmonton	Jellinek House	O
Edmonton	Christenson Developments Devonshire Manor	SL	Edmonton	Jubilee Lodge Nursing Home	CC

\*Operated by AHS

\*\* A = Acute care facility, CC = Continuing care facility, P = Psychiatric facility, SL = Supportive Living, O = Other

**Edmonton and Area (continued)**

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>
Edmonton	Kensington Village Continuing Care Centre	CC,SL	Edmonton	Venta Care Centre	CC
Edmonton	Lifestyle Options - Leduc	SL	Edmonton	Wildrose Cottage (Chartwell Seniors Housing)	SL
Edmonton	Lifestyle Options - Riverbend	SL	Fort Saskatchewan	Fort Saskatchewan Health Centre	* A
Edmonton	Lifestyle Options - Terra Losa	SL	Fort Saskatchewan	Rivercrest Care Centre	CC
Edmonton	McDougall House	O	Leduc	Extendicare Leduc	CC
Edmonton	Misericordia Community Hospital	A	Leduc	Leduc Community Hospital	* A,CC
Edmonton	Our House	O	Leduc	Salem Manor Nursing Home	CC
Edmonton	Oxford House	O	Morinville	Aspen House	* SL
Edmonton	Recovery Acres Edmonton	O	Redwater	Redwater Health Centre	* A,CC
Edmonton	Revera Retirement LP - Churchill	SL	Sherwood Park	All Seniors Care Summerwood	SL
Edmonton	Revera Retirement LP - Riverbend	SL	Sherwood Park	Capital Care Strathcona	* CC,SL
Edmonton	Rosedale Estates	SL	Sherwood Park	Country Cottage - Chartwell	SL
Edmonton	Rosedale Griesbach	SL	Sherwood Park	Sherwood Park Care Centre	CC
Edmonton	Royal Alexandra Hospital	* A	Spruce Grove	Good Samaritan Spruce Grove Centre	SL
Edmonton	Salvation Army Grace Manor	SL	St Albert	Poundmaker's Lodge Treatment Centre	O
Edmonton	Salvation Army Supportive Residence	SL	St. Albert	Citadel Care Centre	CC
Edmonton	Shepherd's Care Foundation - Garden	SL	St. Albert	Sturgeon Community Hospital	* A
Edmonton	Shepherd's Care Foundation - Golden Age Manor	SL	St. Albert	Youville Auxiliary Hospital (Grey Nuns) of St. Albert	CC
Edmonton	St. Joseph's Auxiliary Hospital	CC	Stony Plain	Good Samaritan George Hennig Place	SL
Edmonton	St. Michael's Long Term Care Centre	CC	Stony Plain	The Good Samaritan Stony Plain	CC,SL
Edmonton	St. Thomas Health Centre	SL	Stony Plain	WestView Health Centre - Stony Plain	* A,CC
Edmonton	Stollery Children's Hospital	* A	Various	Family Care Homes	O
Edmonton	The Dianne and Irving Kipnes Centre for Veterans	* CC	Various	Mental Health Care Homes	O
Edmonton	The Waterford of Summerlea (Retirement Home)	SL	Various	Personal Care Homes	SL
Edmonton	Touchmark at Wedgewood	CC	Villeneuve	West Country Hearth	SL
Edmonton	University of Alberta Hospitals	* A			

**Fort McMurray and Area**

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>
Fort McMurray	Northern Lights Regional Health Centre	* A,CC	High Level	Action North Recovery Centre	O
Fort McMurray	Pastew Place Detox Centre	O	High Level	Northwest Health Centre	* A,CC
Fort Vermilion	St. Theresa General Hospital	* A,CC	La Crete	La Crete Continuing Care Centre	* CC

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### Grande Prairie and Area

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>
Beaverlodge	Beaverlodge Municipal Hospital	* A	High Prairie	High Prairie Health Complex	* A,CC
Fairview	Fairview Health Complex	* A,CC	High Prairie	MITAA Centre	O
Fox Creek	Fox Creek Healthcare Centre	* A	Hythe	Hythe Continuing Care Centre	* CC
Grande Cache	Grande Cache Community Health Complex	* A,CC	Manning	Manning Community Health Centre	* A,CC
Grande Prairie	Business & Industry Clinic	* O	McLennan	Manoir du Lac	CC,SL
Grande Prairie	Northern Addiction Centre	* O	McLennan	Sacred Heart Community Health Centre	* A
Grande Prairie	Grande Prairie Care Centre	CC	Peace River	Peace River Community Health Centre	* A,CC
Grande Prairie	Queen Elizabeth II Hospital	* O	Spirit River	Central Peace Health Complex	* A,CC
Grande Prairie	The Gardens at Emerald Park	SL	Valleyview	Valleyview Health Centre	* A,CC
Grimshaw	Grimshaw/Berwyn & District Community Health Centre	* CC			

### Jasper to Cold Lake

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>
Athabasca	Athabasca Healthcare Centre	* A,CC	Lac La Biche	William J. Cadzow - Lac La Biche Healthcare Centre	* A,CC
Athabasca	Extendicare Athabasca	CC	Mayerthorpe	Extendicare Mayerthorpe	CC
Barrhead	Barrhead Healthcare Centre	* A	Mayerthorpe	Mayerthorpe Healthcare Centre	* A,CC
Barrhead	Dr. W.R. Keir – Barrhead Continuing Care Centre	* CC	Radway	Radway Continuing Care Centre	* CC
Barrhead	Mental Health Spaces	O	Slave Lake	Slave Lake Healthcare Centre	* A,CC
Barrhead	Shepherd's Care Barrhead	SL	Smoky Lake	George McDougall – Smoky Lake Healthcare Centre	* A,CC
Bonnyville	Bonnyville Healthcare Centre	A,CC	Smoky Lake	Smoky Lake Continuing Care Centre	* CC
Bonnyville	Bonnyville Indian Metis Rehabilitation Centre	O	St Paul	Extendicare St. Paul	CC
Bonnyville	Extendicare Bonnyville	CC	St Paul	Mental Health Spaces	O
Boyle	Boyle Healthcare Centre	* A	St Paul	St. Therese - St. Paul Healthcare Centre	* A,CC
Cold Lake	Cold Lake Healthcare Centre	* A,CC	Swan Hills	Swan Hills Healthcare Centre	* A
Desmarais	Wabasca/Desmarais Healthcare Centre	* A	Vilna	Vilna Villa	SL
Edson	Edson Healthcare Centre	* A,CC	Westlock	Smithfield Lodge	SL
Elk Point	Elk Point Healthcare Centre	* A,CC	Westlock	Westlock Healthcare Centre	* A,CC
Hinton	Hinton Healthcare Centre	* A	Whitecourt	Whitecourt Healthcare Centre	* A
Hinton	Mountain View Centre	SL			
Jasper	Evergreen Alpine - Jasper	SL			
Jasper	Seton - Jasper Healthcare Centre	* A			

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### Lethbridge and Area

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>
Blairmore	Crowsnest Pass Health Centre	* A,CC	Lethbridge	South Country Treatment Centre	O
Blairmore	York Creek Lodge	SL	Lethbridge	Southern Alcare Manor	O
Cardston	Cardston Health Centre	* O	Lethbridge	St Michael's Health Centre	O
Cardston	Cardston Lodge	SL	Lethbridge	St Michael's Health Centre - St. Therese Villa	SL
Cardston	Grandview Nursing Home	* CC	Magrath	Good Samaritan Garden Vista	O
Coaldale	Coaldale Health Centre	* O	Milk River	Milk River Health Centre	* O
Coaldale	Sunny South Lodge	SL	Milk River	Prairie Rose Lodge	SL
Fort MacLeod	Extendicare Fort MacLeod	O	Picture Butte	PChAD Protective Safe House	* O
Fort MacLeod	Foothills Detox Centre	O	Picture Butte	Piyami Lodge	SL
Fort MacLeod	Fort MacLeod Health Centre	* O	Picture Butte	Piyami Place	O
Fort MacLeod	Pioneer Lodge	SL	Pincher Creek	Good Samaritan Pincher Creek Vista Village	O
Lethbridge	Chinook Regional Hospital	* A	Pincher Creek	Pincher Creek Health Centre	* A,CC
Lethbridge	Columbia House Lethbridge	SL	Raymond	Raymond Health Centre	* O
Lethbridge	Edith Cavell Care Centre	CC	Taber	Clearview Lodge	SL
Lethbridge	Extendicare Lethbridge	CC	Taber	Taber Health Centre	* A,CC
Lethbridge	Golden Acres	SL			
Lethbridge	Good Samaritan Park Meadows Village	O			
Lethbridge	Good Samaritan West Highlands	SL			

### Medicine Hat and Area

<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>	<u>Location</u>	<u>Facility</u>	<u>Facility Type** A/CC/P/ SL/O</u>
Bassano	Bassano Health Centre	* A,CC	Medicine Hat	Meadow Lands	SL
Bow Island	Bow Island Health Centre	* A,CC	Medicine Hat	Medicine Hat Regional Hospital	* A
Brooks	Brooks Health Centre	* A,CC	Medicine Hat	Riverview Care Centre	CC
Brooks	Orchard Manor	SL	Medicine Hat	South Ridge Village	CC,SL
Medicine Hat	Chinook Village	SL	Medicine Hat	The Valleyview	CC,SL
Medicine Hat	Club Sierra	CC	Oyen	Big Country Hospital	* A,CC
Medicine Hat	Leisure Way	SL			

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### Red Deer and Area

<b>Location</b>	<b>Facility</b>	<b>Facility Type** A/CC/P/ SL/O</b>	<b>Location</b>	<b>Facility</b>	<b>Facility Type** A/CC/P/ SL/O</b>
Bentley	Bentley Care Centre	* CC	Red Deer	Bethany CollegeSide (Red Deer)	CC
Breton	Breton Health Centre	* CC	Red Deer	Kentwood Place	* O
Castor	Our Lady of the Rosary Hospital	A,CC	Red Deer	Pines Lodge - Piper Creek Foundation	SL
Consort	Consort Hospital and Care Centre	* A,CC	Red Deer	Red Deer Nursing Home	* CC
Coronation	Coronation Hospital and Care Centre	* A,CC,SL	Red Deer	Red Deer Regional Hospital Centre	* A
Drayton Valley	Drayton Valley Hospital and Care Centre	* A,CC	Red Deer	Safe Harbour Society	O
Drayton Valley	Serenity House	* SL	Red Deer	Valley Park Manor (Red Deer)	* CC
Drumheller	Drumheller Health Centre	* A,CC	Rimbey	Rimbey Hospital and Care Centre	* A,CC
Drumheller	Grace House	O	Rocky Mountain House	Clearwater Centre (Rocky Mountain House)	CC,SL
Eckville	Eckville Manor House	SL	Rocky Mountain House	Rocky Mountain House Health Centre	* A
Hanna	Hanna Health Centre	* A,CC	Stettler	Stettler Hospital and Care Centre	* A,CC
Innisfail	Innisfail Health Centre	* A,CC	Sundre	Sundre Hospital and Care Centre	* A,CC
Lacombe	Lacombe Hospital and Care Centre	* A,CC	Sylvan Lake	Bethany Sylvan Lake	CC,SL
Lacombe	Manor at Royal Oak Village (Good Samaritan Society)	SL	Three Hills	Three Hills Health Centre	* A,CC
Linden	Linden Nursing Home	CC	Trochu	St. Mary's Health Care Centre	CC
Olds	Olds Hospital and Care Centre	* A,CC	Wetaskiwin	Good Shepherd Lutheran Home	SL
Olds	Sunrise Village Olds (Continuum HealthCare Corp)	SL	Wetaskiwin	Peace Hills Lodge	SL
Ponoka	Centennial Centre for Mental Health and Brain Injury	* P	Wetaskiwin	Sunrise Village Wetaskiwin (Continuum HealthCare Corp)	SL
Ponoka	Northcott Care Centre (Ponoka)	CC	Wetaskiwin	Wetaskiwin Hospital and Care Centre	* A,CC
Ponoka	Ponoka Hospital and Care Centre	* A,CC			
Ponoka	Sunrise Village Ponoka (Continuum HealthCare Corp)	SL			

In addition to the facilities listed above, these financial statements also include the operations of community health centres, public health clinics, research facilities, laboratory sites, community rehabilitation physiotherapy clinics, and hemodialysis satellites all operating within the Province.

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