

Showing Value Sharing the Future



alberta pensions services
2022 Annual Report

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Showing Value Sharing the Future

The last few years have been challenging, and we’re stronger for it.

From a solid foundation, we’re collaborating with our clients and employees to build a roadmap for what’s ahead—we’re focused on innovative ways to demonstrate value to our clients and their members, pensioners and employers. Rejuvenated and revitalized, we’re strengthening relationships and finding ways to be even better.

Treaty Land Acknowledgement

APS is situated in the heart of Treaty Six territory. We respect the histories, languages and cultures of First Nations, Métis, Inuit and all First Peoples throughout Alberta and across Canada, whose presence continues to enrich our community.

Mission, Vision and Values

Mission

Our purpose.

As a pension administrator serving Albertans, we are knowledgeable, caring professionals committed to guiding the pension experience, delivering the highest standard of accurate, cost-effective service.

Vision

What we strive to achieve.

Relentlessly pursuing excellence in pension benefits administration, to serve those who serve Albertans.

Values

Drive us to do the right thing.

Service: We make every interaction count.

Quality: What we do, we do well.

Accountability: We take responsibility.

Who We Are

APS is dedicated to providing an exceptional pension experience to members, pensioners and employers. In collaboration with our clients and the Government of Alberta, we deliver services on behalf of seven public sector pension plans and two supplementary retirement plans:

- Local Authorities Pension Plan (LAPP)
- Public Service Pension Plan (PSPP)
- Management Employees Pension Plan (MEPP)

- Special Forces Pension Plan (SFPP)
- Public Service Management (Closed Membership) Pension Plan (PSM[CM]PP)
- Members of the Legislative Assembly Pension Plan (MLAPP)
- Supplementary Retirement Plan for Public Service Managers (SRP)
- Provincial Judges and Applications Judges (Registered) Pension Plan and Provincial Judges and Applications Judges (Unregistered) Pension Plan (JPP)

What We Do

APS provides valuable pension benefits administration services to 509 participating employers across Alberta. We also provide trusted pension-related services to over 400,000 members and pensioners around the world, administering pension plan funds annually through receipts and disbursements in excess of six billion dollars. Some of our reliable pension services include:

- Contributions management
- Member, pensioner and employer information management
- Data analytics and reporting
- Member, pensioner and employer communications
- Benefit calculations
- Disbursements to and from employers, members and other pension plans
- Policy development and implementation
- Communications design and delivery
- Compliance, regulatory and plan financial reporting

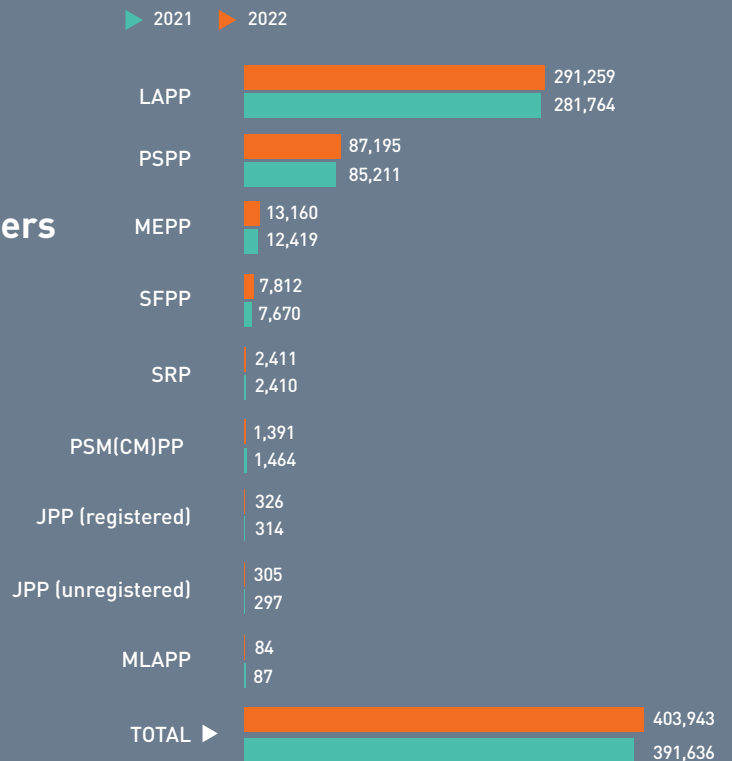




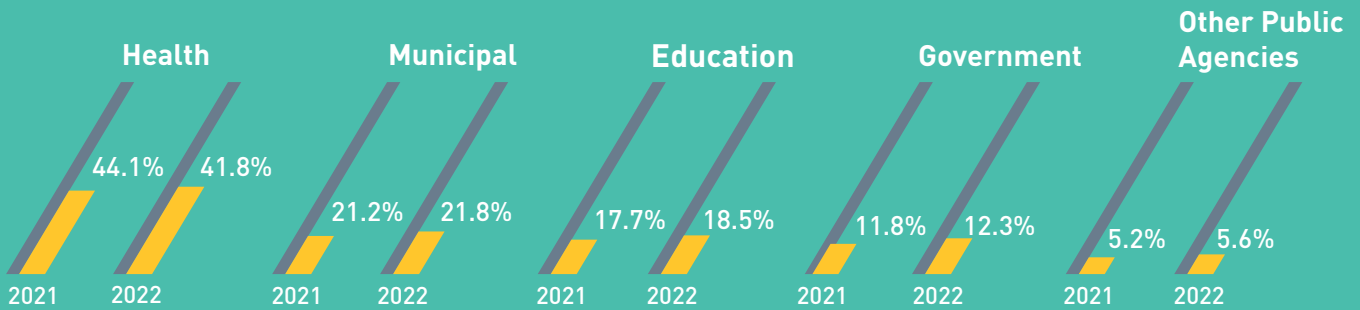
Who We Serve

The number of members, pensioners and employers we serve continues growing.

Members and Pensioners by Plan



Plan Members by Sector (All Plans)



Members and Pensioners

▶ 2021 ▶ 2022

Number of pensioners
 2021: 127,863
 2022: 122,110

Number of new active members
 2021: 25,782
 2022: 19,518

Average pensionable service at retirement
 2021: 19.6 years
 2022: 20.0 years

Number of pensioners 100 years or older
 2021: 76
 2022: 64

Active members that work part-time
20.9%

Number of employers
 2021: 508
 2022: 509





Message from the Board Chair

Colin P. MacDonald



The Board believes in the value of engaging in forward-looking oversight activities in areas such as cybersecurity, business resilience and crisis management.”

The theme of this year's APS annual report is Showing Value, Sharing the Future. As the Chair of the APS Board of Directors (the Board), I think this theme encapsulates well what the Board worked towards and accomplished in 2022.

One of the ways the Board focused on showing value in 2022 was to devote time during its board meetings to having dialogues with participants in the public sector pension industry. Over the course of the year, the Board hosted several of APS' key stakeholders and other participants from the Albertan and Canadian public sector pension industries. These parties were invited to share their perspectives on APS and the industry and to engage in question-and-answer sessions with the Board. The Board thanks the following individuals for participating in these sessions: Evan Siddall, CEO of AIMCo; John Sinclair, CEO of Vestcor; Terry Agoto, Chair of the LAPP Corporate Board of Directors; Chris Brown, former CEO of LAPP Corporation; John Bercsenyi, VP Pension Policy & Funding of LAPP Corporation; David Lardner, Chair of the PSPP Corporation Board of Directors; Lynette Martin, CEO of PSPP Corporation; Brittany Jones, member of the MEP Board; and David Mulyk, Executive Director of Pension and Insurance Policy from the Ministry of Treasury Board and Finance.

In addition to the core oversight activities of the Board in areas such as audit, risk management and compliance, which tend to be retrospective, the Board believes in the value of engaging in forward-looking oversight activities in areas such as cybersecurity, business resilience and crisis management. To that end, the Board participated in a mock crisis management tabletop exercise at its November board meeting. This session added an experiential layer to the training and education activities of the Board in an important, forward-looking oversight area.

In terms of sharing the future, the Board is excited about the certainty that comes with the finalizations of the client corporation and trustee plan five-year strategic roadmap and the APS five-year strategic plan. Going into 2023, the Board looks forward to continuing its dialogue with management about the strategic priorities and mandates of APS to ensure a stable yet innovative public sector pension industry in Alberta.

I wish to extend my congratulations to all of the staff of APS for APS being recognized as an Alberta Top 75 employer early in 2023. This award is a testament to the positive working culture at APS, and it sets a benchmark for continued excellence in terms of attracting and retaining the right talent to enable APS to achieve its strategic objectives in the future.

To close, on behalf of the Board, I want to extend my sincere thanks and appreciation to Roger Rosychuk, a member of our Board whose term ended in February 2023. Roger was a director on the APS Board for the past ten years, notably most recently serving as the Chair of the Audit Committee. We wish him all the best in his retirement, and we will miss his steady presence and calm demeanour. On behalf of the Board, I also wish to extend a warm welcome to our newest director, Richard Hannah, who will fill a needed skill set on our Board with his impressive IT background.



Colin P. MacDonald, K.C., ICD.D
Chair, Board of Directors



Message from the CEO

Darwin Bozek



APS staff are the ambassadors for our organization, and their interactions with those external to APS show our value.”

You might look at the theme of the 2022 annual report and wonder what Showing Value, Sharing the Future means and why it was chosen. I will highlight a few reasons that stand out to me, and you will see other examples throughout this report that signify how APS showed value and shared the future this past year and how we will continue to do so.

The last few years have been challenging, but overall, APS is stronger for it. We have adapted and improved in many ways that are now embedded in our future. From a solid foundation, we're collaborating with our clients and employees in new ways to plan and prepare for what's ahead, and we're focused on encouraging innovation to demonstrate value to our clients and their members, pensioners and employers.

Showing Value

Rejuvenated and revitalized, we're strengthening relationships and finding ways to improve. This is due to APS staff and their resilience in the face of change. In 2022, APS' engagement score improved significantly, resulting in the highest overall score we have ever had. Employees' views of and confidence in the future of APS, and their future with the organization, were also higher than in previous years.

Showing value is reflected in how employees feel about their organization. Is it one they believe in, support, and find satisfaction in their contributions to the overall organizational goals? The engagement survey results support this. APS staff are the ambassadors for our organization, and their interactions with those external to APS show that value.

Value can also be demonstrated by the return on investment of time, resources or dollars. The 2022 CEM benchmarking shows APS is a low-cost, high-service organization and the only one among our peers in that quadrant.

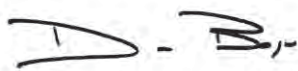
In 2022, we worked closely with clients on their initiatives and projects to enhance the pension experience for members. APS created a new APS banking platform and a new treasury process to transition from a discontinued system. We collaborated with clients on a shared strategic roadmap, which informs the APS five-year strategic plan. We worked on the strategic plan throughout the year to provide focus, guidelines and improved outcomes for staff, clients and members in the future.

Sharing the Future

Even with plans and targets, it is a challenge to know what the future brings, but paying attention to how to share the future encourages many positive and exciting opportunities. In 2022, APS added to a solid foundation that makes the future bright and optimistic for staff and the Albertans they serve, directly and indirectly. The success reflected in this annual report is the result of the work and effort in previous years to strengthen the foundation of our pension administration systems and build on our relationships with our pension plan clients. These commitments have led us to a new phase for the organization, where greater collaboration between all organizations will create innovations and enhance services.

I was so proud of Team APS when I learned that, for the first time, we were recognized as one of Alberta's Top 75 employers early in 2023. Criteria used for evaluation include work atmosphere; social, health, financial and family benefits; and training and development opportunities.

Our business plan and five-year strategic plan highlight some of the things ahead for APS, and we will continue Showing Value, Sharing the Future.



Darwin Bozek, FCPA, FCGA, ICD.D
President and Chief Executive Officer

Showing Value Sharing the Future



The last few years brought challenges and changed some of the ways we do our work, but APS staff remained nimble and resolute throughout the pandemic, supporting each other while making the foundation of our services even stronger.

We strive to demonstrate value to those we serve, and our results show our success; in 2022, we recorded some of our highest service scores yet. We continue to collaborate with our clients to build an innovative future that improves services for their members, pensioners and employers.

Our people are the source of our strength and success. In 2022, we remained invested in the futures of our employees, focusing on mental health and wellness and celebrating the return of in-person staff events.

We continue to focus on diversity and inclusion, offering education opportunities and involving staff in the process. We launched our Agile APS pilot program, embracing remote-work options. And while we recorded our best engagement score, we recognize engagement does not have an endpoint—we can do even better.

Health and Wellness

Twenty-two sessions on mental health and wellness were held in 2022, encouraging employee self-care and promoting the many services available to them through our benefit plans, including the Employee and Family Assistance Program. The easing of pandemic-related restrictions meant we could renew social connections and celebrate our many accomplishments. Two in-person events were held, a staff barbeque and a holiday-season celebration, allowing staff to mingle with other employees and re-establish important connections within the organization.

- ▶ **In 2022, we entered into a top-employer competition, and we were thrilled to learn in early 2023 that we'd been named one of Alberta's Top 75 employers for 2023.**



Employee Engagement Score:

2022	2018
75%	68%

My direct manager provides me the autonomy I need to do my job (i.e. does not micromanage me):

87%

favourable in engagement survey

Diversity and Inclusion

Throughout the year, APS managers learned about the effects of unconscious bias on leadership and discovered ways of recognizing and overcoming bias. Four e-learning opportunities were made available to managers, and we invited all employees to join in on seven sessions of the Nisôhkamâtotân Centre's Pîkiskwetân (Let's Talk) Sharing Circle Series.

APS closed in honour of National Day for Truth and Reconciliation in September, and staff were encouraged to wear orange and reflect on the importance of the day. We shared several resources to support staff education on the history of residential schools and their impact on Indigenous Peoples.

We also had the privilege of hosting Derek Thunder, Manager of the Northern Alberta Institute of Technology's Nisôhkamâtotân Centre, at the October APS Board meeting. Derek shared stories from his past and how he developed a passion for seeing Indigenous and non-Indigenous students connect and be successful in their chosen learning experiences.

Two employee committees focused on diversity and inclusion initiatives. The Community of Practice and Values, People, Culture teams supported diversity and inclusion by providing opportunities for employees to be educated and learn from the experiences of other APS employees.

Engagement

Our engagement score in 2022 was 75%. That's our best score, up from 68% in 2018. It's also above the average of comparable organizations across Canada. This success is due in large part to the dedication of managers and employees who have established strong working relationships in a hybrid work environment in which most staff have the option of fully remote, hybrid, or fully in-office work settings.

A 75% engagement score is excellent, but we're not done. Simply put, engagement has no endpoint. We are listening to feedback and looking at the areas where we can improve.

Top Employer

It was an honour to be named one of Alberta's Top 75 employers based on the submission we made in 2022. Criteria used for evaluation included work atmosphere; social, health, financial and family benefits; and training and development opportunities. Being named a top employer was also humbling because it gave us pause to reflect on those facets of APS in a new context. We see many growth opportunities, and we're pushing ourselves to be even better.

Agile APS – Embracing Remote Work

Through the height of the COVID-19 pandemic, all but a few essential staff were required to work from home.

However, as life began to return closer to normal in 2022, we launched the pilot of our Agile APS program. The program allows most staff to choose a fully remote, hybrid, or fully in-office work schedule based on their personal preferences. All designated home workspaces must be located within Alberta, and each employee may only have one designated home workspace. This ensures that employees living in, invested in, and supporting Alberta communities are eligible to participate.

Living and working away from the APS building does not exclude staff from receiving support. Ergonomic assessments are provided to staff remotely and in person, regardless of primary work location. In 2022, we conducted 30 virtual assessments and two in-person user home assessments. Ergonomic requirements are supported for all employees, whatever their primary work location. This includes the purchase of or reimbursement for approved office chairs, desks, and ergonomically superior technical equipment such as keyboards and mice.

At the building, hotel stations and offices are equipped with sit-to-stand work surfaces. APS promotes a healthy and productive work environment for its employees and will also consider non-occupational requests for ergonomic aides.

Allowing staff to choose to work remotely has a large influence on APS' aim to reduce our carbon and environmental footprints. Agile APS limits paper waste by encouraging digital documents and lowers carbon emissions by reducing business and staff travel to and from the building. Most of the building and system monitoring can occur remotely, and monitoring tools were added or adjusted to support our work-from-home operations.

When the Agile APS pilot ends in 2023, it will be evaluated and improved based on the feedback and experiences of staff and leaders at APS. By continually improving the program, APS can ensure it stays at the forefront of employee satisfaction, which in turn helps to positively influence staff retention and engagement, and ultimately improve the service for our clients' members, pensioners and employers.

Agile APS and the ability to work remotely is a great advantage of working at APS:

96%

favourable

Highest-rated in engagement survey



Opening Remote Horizons

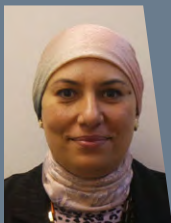
Starting with a new employer is often an exciting and nerve-wracking time. One meets new colleagues, learns a new space, a new building—and, if they're starting at APS, they might get some welcome donuts or a potluck. But what if you're starting your new job from hundreds of kilometres away?

APS' commitment to keeping staff safe and healthy by extending our remote work policy through the duration of the COVID-19 pandemic has rolled into our Agile APS program. It allows APS to source expert candidates from all over Alberta for open positions that only three years

ago would have been limited to staff within commuting distance of the APS building in Edmonton.

Now, we have many staff members across the organization who live well outside the greater Edmonton area, from client operations and member services representatives to managers and directors, that may never have even applied for a position at APS if they had to relocate.

Location is no longer a barrier for some strong candidates to apply for positions at APS.



Noha El-Banna,
Director, Human Resources
and Organizational
Development, lives in
Fort McMurray



Lisa Mittoo,
Digital Designer,
e-learning, HR
Services, lives in
Calgary



Carmen Koning,
Manager, Corporate
Communications,
lives in Calgary

APS culture encourages staff to build connections and relationships virtually—those bonds are essential in helping staff truly live our values and making us glad to come to work every day. The HR team has regular stand-up meetings that start with quick wins, celebrations, or weekend stories, and in 2022 we began scheduling a weekly 30-minute meeting for more casual discussions about anything except work.

Starting a career remotely during the pandemic, when you aren't in the office with people, makes it challenging to make those connections. Those bonds, in-person interactions and laughter require planning and intention. The APS value of service and demonstrating care for everyone I deal with helps me the most to navigate and have an easy transition. Participating in virtual events, activities and games helps build those relationships even through distance.

Starting my journey with APS remotely, I was immediately impressed at how seamless and informative the onboarding process was. I knew exactly what was required from me and when. Having an ongoing daily general chat, in addition to having regular team touch-point meetings, and connecting with everyone on an individual basis, has allowed me to feel "connected" to my teammates.

Being far from Edmonton hasn't hindered my experience with APS at all. Technology has evolved the way we communicate and connect at a distance, and being remote has provided me with the ability to achieve work-life balance while maintaining a certain level of mental health, in turn giving my working hours a productivity boost.

While I don't miss the day-to-day of a traditional office, I do miss the snacks.

Since starting in 2022, I have frequently been asked what the culture is like, particularly working in the Agile APS environment. APS truly has a culture of kindness that permeates the organization, even remotely. APS genuinely cares about its employees. From seamlessly getting set up with all the technological necessities to having a virtual ergonomic assessment to meeting colleagues from across the organization, APS makes a conscious effort to ensure employees are connected, no matter where they work in Alberta.

Team APS Unite!

In early September, a little more than 200 people attended APS' first in-person staff event since pandemic restrictions were put in place some 2 ½ years earlier.

The staff appreciation barbecue was a half-day celebration of being back together. Team APS visited, hugged and played outdoor lawn games while eating hand pies, Vietnamese snacks, Philippines-inspired ice cream and that old APS favourite, donuts! The sun was out, a breeze kept us cool, and there were plenty of laughs. The event was organized by APS' Values, People, Culture committee, who also invited the Charity of Choice committee to set up shop to collect donations for the Edmonton Food Bank.



Holiday Sparkle— Together Again

About 250 APS staff members came out in style to the Holiday Sparkle year-end celebration in December 2022. This was APS' first hybrid event, featuring a live stream of the scheduled speakers, door prizes and long-service awards, so approximately 30 remote staff that didn't attend could still be involved and hear year-end highlights and gratitude from the executive team. APS dressed to the nines in their sparkly best, ate a delicious buffet and enjoyed the party put on by the Values, People, Culture team with help from the Facilities and Communications teams.

At the event, Tamara Janzen, Vice President of Human Resources and Organizational Development, took the stage to share a wonderful poem dedicated to APS and the people in her division. Here are some of the entertaining and heartfelt words she shared.

*Today's celebration is glamour and glitz,
Holiday sparkle celebrating APS hits.
The Pensions Services teams beat many targets,
making us proud,
While IT supported the APS crowd.
Finance and Risk helped us mitigate harm,
And Governance and legal did danger disarm.
Our great fearless leader led with fervour and stealth,
While the CEO's office watched over executive health.
We're all so grateful for the work that's been done,
But my job is to highlight all my team has won.*

*I'm privileged to work with you; you make work fun,
Together united, APS' success we'll have continually won.
To close off this attempt at a rhyming tribute,
Thank you, APS employees, for who you are and
all you con-tri-bute.*



Fond Farewells

As client information representatives, Beth Wiwad and Caryl Winsor spent nearly 40 years combined greeting people arriving at APS, answering phone calls and serving members and pensioners.

Colleagues arranged a virtual retirement party for Beth and Caryl in early December, where they were wished a fond farewell before retiring on the same day as each other. Beth was with APS for 30 years.

“While I am very excited to retire, I will miss my work family,” said Beth. “I am truly grateful to have had such a wonderful workplace for the last 30 years.

“A lot has changed since I was hired in June of 1992,” continued Beth. “Reception was very busy with 20 incoming lines, and while staff had their own extensions, voice mail was not a thing. The internet and email weren’t really things! We’ve come a long way since then and have tripled in size. Throughout that, APS remained a great place to work. Colleagues will always lend a hand when needed, going over and above. That’s what makes us so successful.”

Caryl retired from APS after eight years of service.

“I cannot say enough about the level of professionalism and respect maintained throughout APS from the CEO to the newest hire,” said Caryl. “I have worked with federal and provincial agency centres across Canada but have never experienced the caring and supportive workplace culture demonstrated at APS. I wish APS continued recognition and success.”

Thanks, Beth, Caryl and all the retirees of 2022 for all you did at APS for your teams, members and pensioners. And thanks to all APS staff for all they continue to do, day in and day out!



Beth Wiwad, left, and Caryl Winsor, right.

Staff Retirements in 2022

Years of Service at APS	# of Employees
25+	2
16-25	0
10-15	2
1-9	3



Management's Discussion and Analysis

Overview

Management's Discussion and Analysis (MD&A) details the outcomes and financial condition of APS for the year ended December 31, 2022.

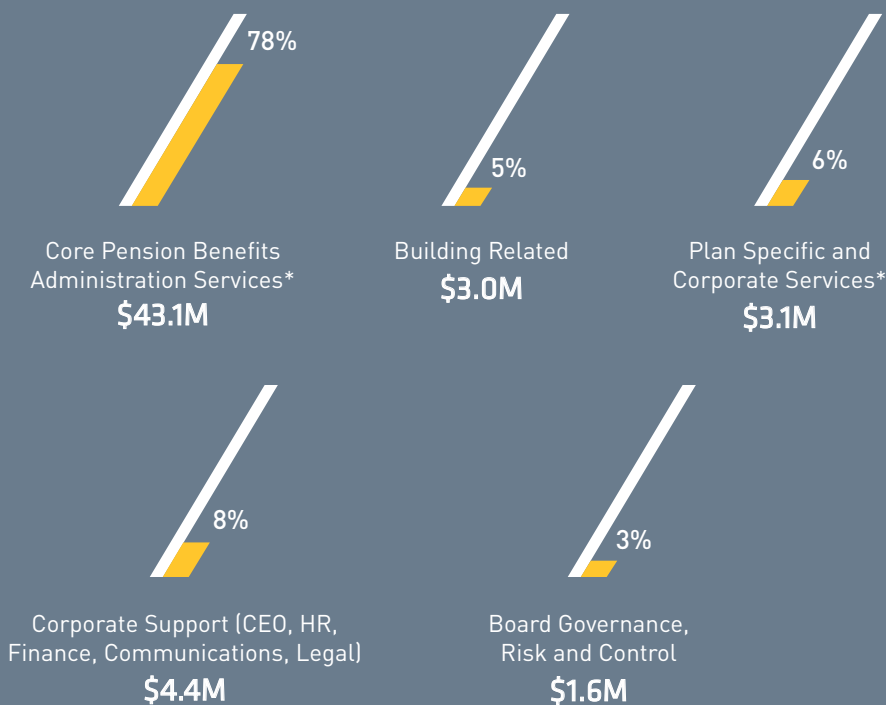
These findings present APS through the eyes of management, who carefully assessed material trends and any ambiguities that affected the overall results.

As a service business operating on a cost-recovery basis, our top priority is delivering a high standard of service at a reasonable cost.

By focusing on effective resource management, APS is able to remain vigilant in establishing measurable objectives that help us remain accountable to our shareholder and clients.

The MD&A contains prospective statements about anticipated future events and financial operations that may not be proven accurate and are subject to risks and uncertainties. Please review the MD&A in conjunction with the financial statements and accompanying notes. The accounting standards used in the preparation of APS' financial statements are the Canadian Public Sector Accounting Standards (PSAS), with all amounts presented in Canadian dollars.

2022
APS
Operating
Expenses
\$55.2M



**84% of operating expenses are directly related to providing pension benefits administration services to the members, pensioners and employers that we serve and to the clients that we support.*

Strategic Objectives

In 2022, APS' strategic objectives focused on improving the delivery of core pension benefits administration services in a cost-effective and efficient manner and on improving relationships with our stakeholders. The passion and energy that Team APS put into executing the 2018-2022 strategic planning cycle produced incredible results.

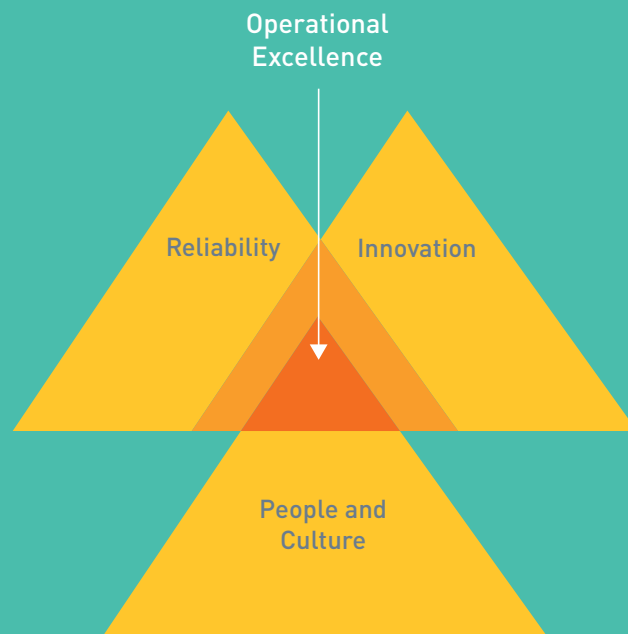
Enhance Stakeholder Relations: We will strengthen the relationship between APS and the clients and other stakeholders we serve. We will constantly demonstrate the value of our services in order to better meet their needs.

Transform Member and Employer Interactions: We will enhance the interactions between APS, employers and plan members (active, deferred and pensioner) by considering audience age and stage, communication channels, access to information and self-service transactions.

Elevate Member and Employer Pension Benefit Education: We will commit to the education of employers and plan members in the reasons for and workings of defined benefit pension plans.

Optimize Service Delivery: We will continue to focus on opportunities for innovation as a key way to administer and improve our services.

Align and Grow Workforce Capabilities: We will harness the passion and professionalism of APS employees and provide engaging management, performance measures and development opportunities.



We discuss our new five-year strategic plan later in this report. We look forward to executing the plan, which focuses on continued excellence and collaboration, enhancing relationships and improving the journey for clients, employers, members, pensioners and APS employees.

Showing Value

Despite an evolving and more complex environment, APS consistently delivered quality services in a cost-effective manner.

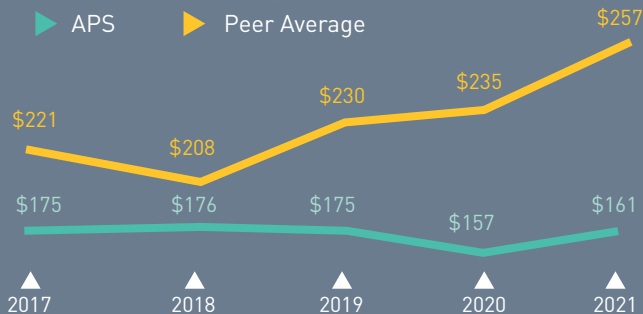
Over the last five years, APS' administration costs per member trended significantly lower than our Canadian public sector peers, and our total service score has consistently met or exceeded the scores of our peers. Both scores are measured by CEM (an industry benchmarking company).

In 2021, we were a low-cost, high-service provider of pension administration services when benchmarked against our peers.

CEM Total Service Score



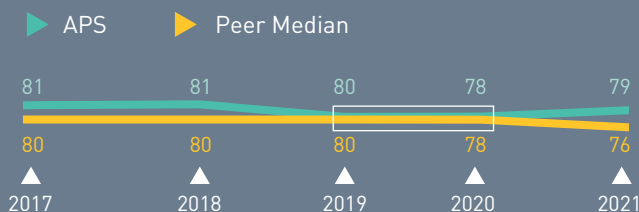
CEM Cost per Member



"The employee assisting me sounded caring, showed empathy and patience, and gave me more information than I asked for."

Catherine, MEPP retiree, 75

CEM Total Service Score



"[The Member Services Representative] was well-spoken, articulate and knowledgeable. She understood my needs and did her best to provide clear, understandable information."

Denis, LAPP member, 49

"[The Member Services Representative] was so helpful and friendly that I teased him that no one should be that happy on a Wednesday. Really positive experience."

SFPP member

The Member and Pensioner Experience

"Excellent customer service by phone. Friendly and very knowledgeable. Answered all my questions right away. I have never received such prompt and knowledgeable service from a benefits program!"

Mary, LAPP member, 63

"[The Member Services Representative] was absolutely amazing! She immediately established a rapport with me, asked good questions and walked me through the tool. She is an outstanding representative for your organization!"

Shelley, MEPP member, 58

"The agent on the phone was very helpful, took the time to confirm the answers to my questions and, overall, was a pleasure to speak with."

SFPP member

"The service representatives are outstanding in the attitude and helpfulness they bring. They're positive, engaging and knowledgeable. I'm not that techie and prefer one-on-one contact; they don't make me feel "less than" for preferring this way of communicating. Keep up the great work!"

Barbara, LAPP retiree, 75

"[The Member Services Representative] didn't simply answer my question. They even calculated and informed me of how much both of my two pension amounts would be going forward. Very pleased that they are so helpful and pleased to provide information."

David, MEPP retiree, 58

"Quick response and a pleasant and helpful person on the other end of the phone."

SFPP retiree

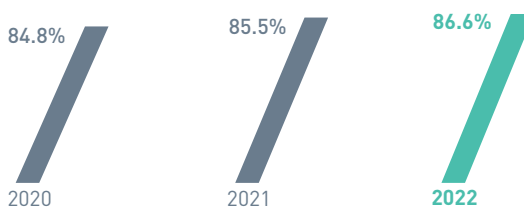
Elevating the Experience

Showing value to plan members and employers drives us to do our best. We've spent the last few years elevating their experience, and in 2022, we continued to achieve remarkable successes—including some of our best service results ever.

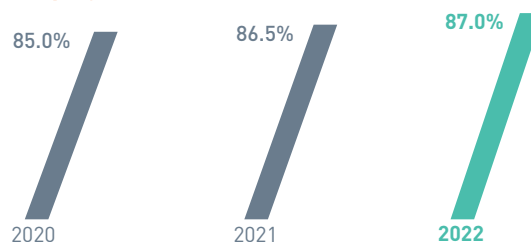
We've remained successful despite facing the challenges introduced by ongoing change and growing complexity within our business. Since 2019, we have implemented a significant number of plan changes on behalf of our clients. However, throughout this change, we remained committed to providing excellent pension administration services to members and employers.

In 2022, we continued to produce very strong results within the majority of our key performance indicators. This included member and employer satisfaction results, which were the strongest ever. These accomplishments have been recognized by an independent peer benchmarking organization (CEM) which ranks APS as a high-service, low-cost service provider.

Member Satisfaction Survey



Employer Satisfaction Scores

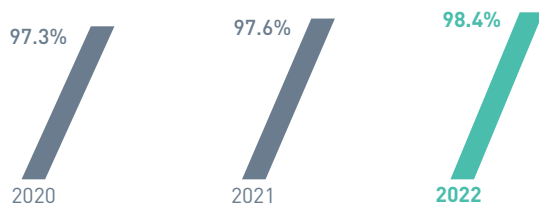


The Member Experience

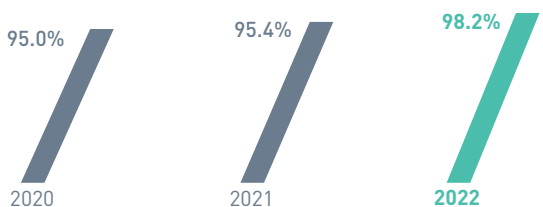
Success required a steady evolution of how we improve the member experience, including:

- continuing to build automation into some of our processes and improve overall resource management to ensure that we had staff positioned and trained to process member transactions on time;
- leveraging digital communication channels to increase the speed of communications with members and pensioners;
- enhancing online services to make it easier for members to navigate important life events; and
- continuing to encourage members to use online pension tools, including retirement tools and an online buyback solution.

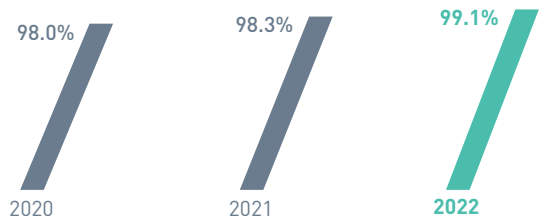
Calculations Completed on Target—All Types



Calculations Completed on Target—Retirement Related



Calculations Completed on Target—Termination Related



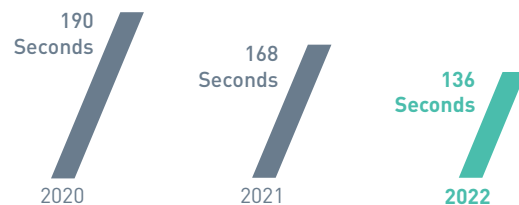
Service Successes

In 2022, the evolution of the member and pensioner experience resulted in some of our best service scores. We received nearly 150,000 calls in 2022, and we're answering phone calls faster than ever, while the fewest callers to date are leaving while on hold. These and other improvements contributed to our best results in the member satisfaction survey mentioned earlier.

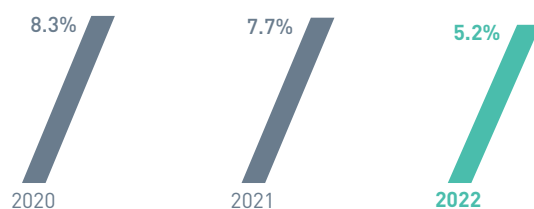
Accomplishing this required us to be more efficient and effective while enhancing our digital and phone communication channels by, among other things:

- developing a more sophisticated hiring and workforce management model to ensure staff are better positioned to offer customer service;
- improving the user experience in the member portal by enhancing the registration and lost password process; and
- leveraging messaging through the member portal, which enables members to contact us anytime and reduces phone calls and related wait times. More of our communication is happening through the portal every year.

Average Speed of Answer



Call Abandon Rate



Member Education

Members value one-on-one information sessions. In a session, members meet an information specialist and can discuss their retirement application, understand their options and the process, and ask general questions. We continued offering these remotely during the pandemic, but in 2022 we were pleased to once again offer these sessions in person at our Edmonton office while still offering virtual sessions.

Online group member information sessions via webinars also continued in 2022. These sessions focus on the retirement, termination and buyback processes.



One-on-One Information Sessions in 2022

Total Sessions: 871, including 203 in person
Participant Satisfaction Score: 9.3/10



Webinar Sessions in 2022

Total Sessions: 98
Participant Satisfaction Score: 9.1/10

The Employer Experience

We also continued to evolve the employer experience as employers play a critical role in pension plan administration by providing timely and accurate payroll data. In many cases, they play an important role in connecting members with their pension plan.

In 2022, we began rolling out the Employer Hub, an important employer resource tool that supports the daily work of employers. The Employer Hub includes an updated employer guide, tutorials and sample reports, improved search functionality, and information personalized to the particular accounts an employer administers. We also continued to offer employer education sessions which are highly valued by employers.



The Future

A strong commitment to our corporate values—service, quality and accountability—drives us into 2023. We have an exciting opportunity to continue to collaborate with our clients as the needs and expectations of members and employers continue to evolve. As new generations move into the workforce and member demographics become more diverse, we must remain agile and continue to pivot with changing preferences.

We are paying close attention to the member journey—their experiences as they make important life decisions about their pension—to create better processes and online tools to ensure that we continue to enhance their future experiences. We're also focusing on the employer experience through enhanced tools and supports, along with better-targeted educational opportunities.

We are proud to be a high-service, low-cost service provider as compared to our peers in the pension administration industry. Working together, we will continue innovating and improving services; we will continue to show our value every day.

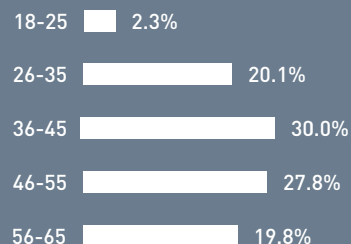
"The lady who helped me was so helpful. She explained and walked me through the process. She was very pleasant and understanding."

Patrick, MEPP retiree, 78

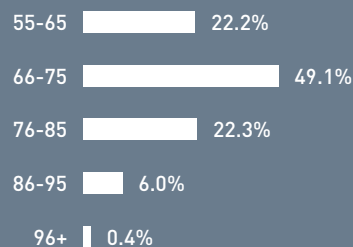
"(The Member Services Representative) was brilliant. Walked me through the whole process of registering online. Absolutely went above and beyond."

Sue, LAPP retiree, 69

Age Breakdown of Active Members



Age Breakdown of Pensioners



By the Numbers

Number of New
Active Members
in 2022

25,782

Increased 32.1% YoY

Average Annual Pension
Amount in 2022
(all pensioners)

\$24,521

(+1.2% YoY)

Number of New
Pensioners in 2022

8,771

Increased 3.9% YoY

Average New Annual
Pension Amount in 2022

\$52,635

(+0.7% YoY)



Funds Administered

▶ 2011
\$4.0B

312,488 members
and pensioners

▶ 2016
\$6.0B

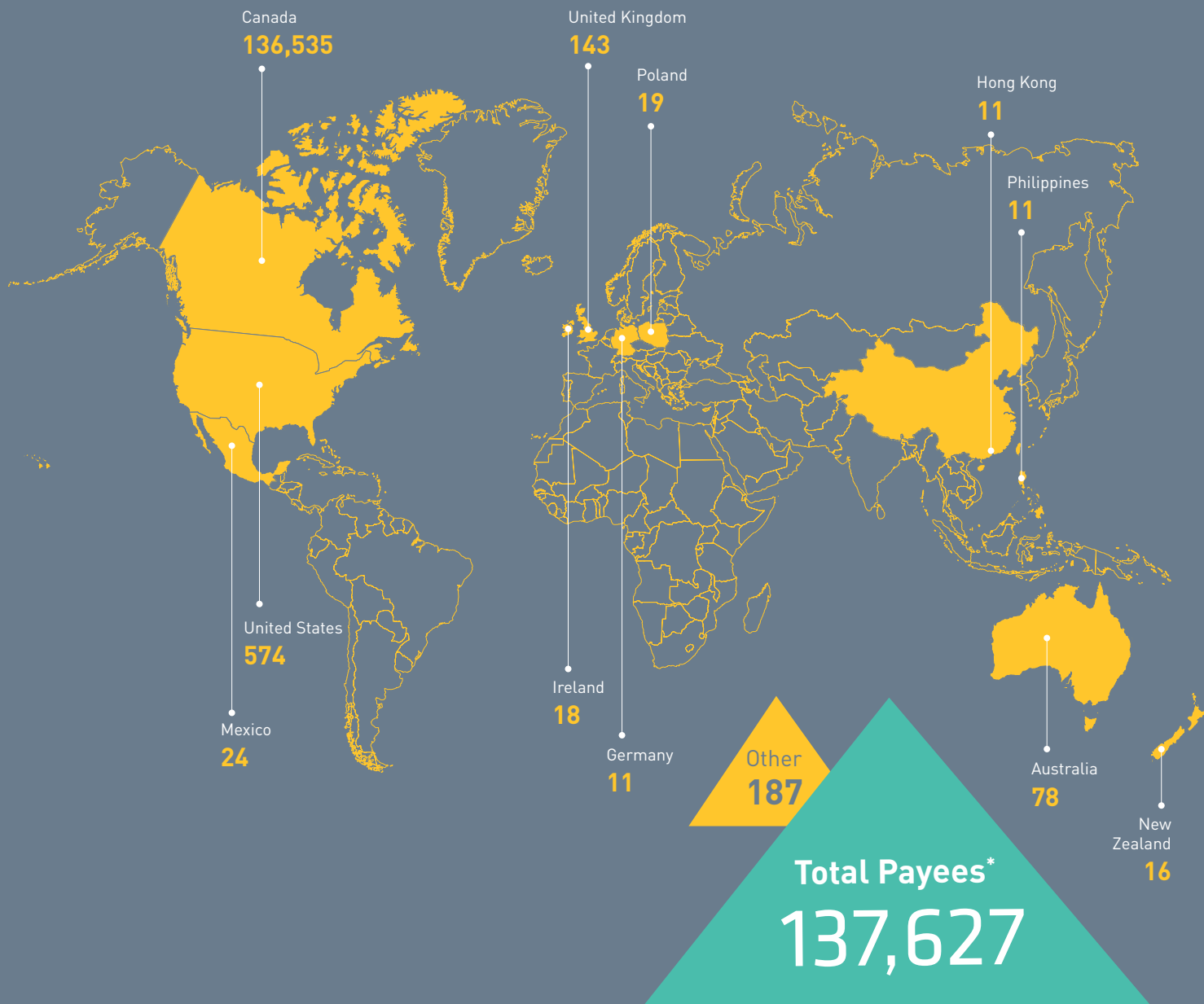
359,656 members
and pensioners

2022
\$6.4B

403,943 members
and pensioners

In 2022, APS was responsible for administering over \$6.4 billion of funds across the nine pension plans we serve. This amount includes receipts and disbursements to and from employers, members and other pension plans.

Payees Around the World



*The numbers above include all pensioners, beneficiaries and termination payments. The total number of pensioners alone is 127,863.

Community Involvement

Canadian Blood Services is pleased to thank partners like Alberta Pensions Services Corporation for making a difference in the lives of Canadian patients and their families by raising awareness of the need for blood and blood products. With a pledge target goal of 35 units in 2022, we are pleased to announce that you exceeded that goal. Together, you collected 71 units and onboarded eight new donors! Congratulations, and thank you for your continued support. We sincerely appreciate those who have donated and who continue to spread the word. Your support makes all the difference for patients in need.

Together, we are Canada's Lifeline.

—
Jennifer Gretzan-Melnichuk
Canadian Blood Services' Associate Director
of Donor Relations



Canadian Blood Services

Our tally of 71 units more than doubled our goal of 35 units. Each donation can save as many as three lives, so approximately 210 lives were forever changed. Since joining Canadian Blood Services' Partner for Life program in the fall of 2014, APS has proudly helped change the lives of more than 1,000 people.

Edmonton Food Bank

APS employees continue to give back to those in need through our charity of choice, the Edmonton Food Bank. In 2022, employees collectively donated \$8,840. Pandemic restrictions were lifted, and we held in-person events again in 2022, allowing us to collect 291 kg of food. We are very proud to work alongside such selfless people who continue to help their community year after year.

Hope Mission

Our IT Security and Risk Management team answered Hope Mission's urgent holiday season appeal for hygiene products, including shampoo, body wash and soap, toothbrushes and deodorant. They filled a team member's trunk and back seat full of the items for drop-off at a Hope Mission location.

Christmas Hampers

The Member Services (elves) team collected \$700 to make three Christmas hampers for four families. Some of the hampers included pasta, fruits and veggies, cereals, baby and toddler snacks, chocolate, cookies and marshmallows, and more!

Corporate Challenge

APS employees participated in the Edmonton and area Corporate Challenge in 2022 and earned second place. Not only was this a fun opportunity for our staff to connect with one another virtually and engage in some friendly competition with other organizations in our community, but it also enabled us to give back to our community with the Blood Donor challenge. In addition to this event, APS also took part in Ride for Heart, supporting the Heart and Stroke Foundation, and Extra Life, supporting Children's Miracle Network Hospitals.



Cybersecurity and Business Resilience

Organizations worldwide not only continued to see ransomware attacks remain a predominant threat in 2022 but also observed heightened activity from cyber attackers following the onset of the Russia-Ukraine conflict.

As a provincial effort to improve the sharing of threat information, as well as detection and protection techniques, the Government of Alberta launched the CyberAlberta Community of Interest for public and private sector participants, of which APS is an active member.

Further, APS continues to be a member of the Canadian Cyber Threat Exchange, strengthening the collaboration of the Canadian business cybersecurity community. We also work closely with our vendors and suppliers as security partners to identify process and solution improvement opportunities for protecting our member data and critical pension administration business processes.

The business resilience of an organization requires a strong foundational program of documented plans and processes, which are reviewed and practised at regular intervals. In 2022, APS undertook five comprehensive crisis management tabletop exercises involving representatives from both the executive team and crisis management team, as well as key business areas and our clients. Examples of the exercise scenarios included a ransomware event and a potential pension payment delay. Additional business resilience improvement actions included the development of joint crisis management processes for integrated executive response and communications between APS and the pension plan trustees.

Also, on the theme of preparedness, APS conducted both technical tabletop and attack simulation exercises during an external security assessment engagement. This was an opportunity for our internal teams and security services to verify our existing security controls and practise our cybersecurity incident response capabilities to reduce the likelihood and impact of an attack.

A lot of hard work in planning and execution resulted in a successful major upgrade of the pension administration system in 2022. Part of this tremendous accomplishment can be attributed to our rigorous IT change and release management processes which preserve the applications, data and functional integrity to deliver a reliable and resilient core pension system. All of this transpired without impact upon supporting technologies and infrastructure.

On a final note, the APS security awareness and education program was extended to include staff of the plan corporations in training modules and phishing email simulations delivered throughout the year. They all passed with flying colours and became another strong layer of defence against cyber criminals seeking to, for example, steal user credentials or execute a ransomware attack.



Fostering an Innovative Mindset

Mission Statement: Drive individual, team and organizational ownership to identify opportunities for innovation by fostering an environment where creative ideas thrive and come to fruition.

The first two years of APS' innovation program focused on helping the organization shift its mindset to innovation and calculated risk-taking through workshops, training sessions and building out reporting methods and mechanisms. In 2022, we were at a stage where innovation was organically baked into everything we do, and we began to review larger and more holistic opportunities that broaden the reach of innovation to include all work that we undertake.

Whether brought by projects or day-to-day operational activities, change is constant. Viewing change through an innovative lens helps us improve our outcomes. And that innovative, creative lens is what APS staff used to develop new ideas throughout 2022.

The organization implemented several organic and project-based innovations throughout 2022. Some examples of these innovations are listed below.

Organic innovations: APS achieved over 30 organic innovations that were driven by teams or individuals. These are termed organic because the innovators took self-ownership to improve the outcomes. The outcomes of these improvements were categorized under the following themes:

- Enhanced the client/member/pensioner/employee experience
- Created efficiencies and effectiveness in service delivery
- Increased process automation
- Reduced organizational risk

Innovations as initiatives: APS invested in an innovative portfolio of initiatives in 2022 that improved service efficiencies and enhanced stakeholder experiences. Some examples include:

- **Legal system replacement:** This project streamlined and automated manual processes and reduced duplication of work. This system also introduced paperless case file management.
- **Employer Hub (eGuide replacement):** This initiative consolidated several employer applications into a single, easy-to-use, web-based solution that meets employers' information management needs. The solution significantly improved the employers' experience.
- **HR recruitment and onboarding module implementation:** This project integrated multiple manual processes related to the recruitment and onboarding of personnel.
- **Pension plan change improvements (rinse and repeat cycle):** Standardization and simplification of processes and templates, coupled with the removal of redundant work, helped achieve economies of scale.

Looking ahead, we are creating and implementing a communications plan for the innovation framework while we continue to identify, support and realize innovations. We will celebrate and recognize the innovative accomplishments of employees to create an environment where creative ideas thrive and come alive.

Innovation Accomplishments for 2022

46

Service delivery efficiencies created

23

Stakeholder experience enhancements

14

Reductions of organizational risk

7

Increases to process automation

Total Time Saving:

1,953 hrs

Data Insights and Information Management

Strategic decision-making requires quality data. Our Data Management Program enhances our ability to be data-driven when planning, administering and improving the experiences of our stakeholders.

Unlocking access to data: In 2022, we expanded the data available in our self-service analytics platform by adding substantial new subject areas to augment the data already delivered in our centrally accessible data hub. This enabled more efficiencies and more insightful results to support business questions and understanding. Additionally, we enriched core data by adding demographic and plan website tracking data to create a better 360-degree view of the member and pensioner.

Measuring data quality: For data to be useful, it must be trustworthy. In 2022, the Data Management Program constructed and automated an initial set of quality rules to measure quality across various categories and quality dimensions (completeness, consistency, validity, and uniqueness) as well as severity (low to high) and business impact (financial, reputation and productivity).

Growing the data governance practice: With business representation from our core functional areas, the Data Governance Council and Data Stewardship Committee continued to provide the necessary oversight and guidance to align business priorities with data provisioning plans. For trustworthy data to be meaningful, it must be understood precisely and consistently company-wide. Thus, we continued to expand our business glossary and data dictionaries in conjunction with data governance.

Building advanced analytics: Substantial progress was made in developing our analytics capabilities. In 2022, we successfully developed a predictive model utilizing machine learning. This technological advancement will be important to identify more opportunities in predicting future outcomes based on past data, trends and data science.

The information management program enables us to use, protect, retain, distribute, and delete information appropriately and efficiently, following legislation, policy, and best practices.

Implementing information security classifications: To maximize the benefits of having an information security classification policy, information management provided educational sessions and material to make clear the need for the classifications and its application. The information management program enabled sensitivity-tagging in Microsoft 365 to a representative pilot group to gather feedback before being put into practice corporate-wide in 2023.

Developing and updating policies: To provide direction on information practices and expectations, the program continued to develop and refine policies that require executive approval. Of note was the electronic recording policy needed in support of our remote work environment.

Risk Management and Compliance

APS remains steadfast in our commitment to effectively monitor and manage our corporate risks while prioritizing resource allocation, ensuring compliance, and supporting corporate objectives to demonstrate value through innovative, cost-effective methods.

Since the onset of the COVID-19 pandemic, we have continued to focus on key risk areas such as employee health and wellness, reliability of information technology systems and cybersecurity and reliance on external vendors. In 2022, we took steps to enhance our corporate risk framework by initiating a review and developing a roadmap; once completed, plans are to begin to implement the roadmap in 2023.

APS continued to monitor and assess its key corporate risk profile through 2022, ensuring it reflected the ever-changing risk landscape and that appropriate mitigation strategies were in place. Our comprehensive risk-assessment process included conducting semiannual risk management workshops and quarterly reviews of current and emerging risks. The assessment results were supported by performance metrics, which allowed us to make informed decisions for our business. Further,

we continue to focus on risk-prioritized projects and initiatives as we completed our annual and strategic business planning processes in 2022.

Compliance

Our compliance management program supports APS' overall risk management strategy. APS is committed to preserving its reputation and integrity by complying with applicable laws, regulations and other corporate obligations. The program provides a structured approach to managing APS' compliance risk. As our pension and workplace landscapes continued to change in 2022, APS did not compromise its standards of compliance management.

We focused on key compliance management activities to ensure we continue to comply with our obligations and mitigate our compliance risk. A foundational aspect of our program is to ensure our employees are aware of their compliance roles and responsibilities; this is achieved by ongoing education and support.



A Strategic Plan for the Future

Our new five-year strategic plan is in place and spans 2023-2027. It was built with feedback from clients, staff, APS Board members and APS leadership. We collected employee survey responses, took into account engagement feedback, held strategic planning sessions with clients and had multiple strategy workshops for different groups at APS.

We used the information from approximately 30 group discussions to build strategic objectives that focus on continued excellence and collaboration, enhancing relationships and improving the journey for clients, employers, members, pensioners and APS staff. This work set the stage for looking forward to the next five years.

In defining our strategic objectives, our focus remains on excellence in the services we provide to our clients, their members and employers. These five focal points set the foundation to remain a leading service provider and an employer of choice for our employees.

Each objective aims to continue building the strength of our organization to innovate and build the capacity and capabilities for the future success of APS. Through extensive engagement with our stakeholders, we have heard their areas of focus for the future, and we will continue to strive towards meeting the demands of our stakeholders.

Strategic Objectives

- Strengthen alignment with our clients as a strategic business partner
- Work collaboratively with our clients to elevate the member journey
- Enhance the employer journey in partnership with our clients
- Continue to deliver value through sustainable, innovative and efficient operations
- Invest in and prepare our people and culture for the future

Looking Ahead

The three themes of APS—reliability, innovation, people and culture—will lead APS toward the ultimate goal of operational excellence. Success is in the services and support we provide members, pensioners and employers, and it will be achieved through continued collaboration with our clients.

The work world is changing. The expectations of the workforce are evolving. We must consider our work culture, the ways we do our work, and the agility of our internal processes to position ourselves to effectively attract and retain a high-performing workforce.

Member and employer expectations are evolving. We are excited to collaborate with our clients as we face the changing expectations of plan members and employers. We strive to understand how we can meet these expectations as we continue to enhance our

pension administration system while recognizing its limitations and constraints. Member and employer demographics are becoming more diverse, and we must adopt an increasingly agile approach to pivot with changing preferences.

There is greater need to show value. We must prioritize and measure the performance of our resource investments, creating capacity for the organization and value for our clients, members and employers.

APS' culture will be the foundation for our future success. Our employees—the people who provide services to our clients and their members, pensioners and employers—are central to our success. We must remain committed to creating a culture that is service focused and supports success through an emphasis on diversity, equity, inclusion, high-performing teams and a shared purpose.

Reliability

Strengthening a solid and dependable foundation.

To ensure we are delivering on our core pension benefits administration services in a cost-effective, efficient and high-quality manner.

Innovation

Exploring ways to improve.

To explore new ideas, methods and capabilities for process improvements. Implement solutions with business outcomes to deliver efficient and effective service. Target programs and projects that deliver value, environmental stewardship and positive results for the people we serve and support and our employees.

People and Culture

Elevating a culture of service with a highly-engaged workforce.

To foster an environment where collaboration and service come naturally because the people are inspired, empowered and values-driven.

Corporate Governance

As a corporation under *Alberta's Business Corporations Act*, APS is governed by a Board of Directors (Board). The Directors are appointed by the Government of Alberta as sole shareholder, in accordance with a Unanimous Shareholder Agreement (USA) made by the sole shareholder. The Board is responsible for managing and overseeing the business of the corporation, subject to certain restrictions set out in the USA. The Board delegates operating authority to the CEO and other officers of APS.

Committees of the Board

In 2022, the Board had four standing committees:

- Audit Committee
- Governance Committee
- Human Resources Committee
- Technology and Innovation Committee

In 2022, the Technology and Innovation Committee met four times. The Audit Committee, Governance Committee and Human Resources Committee each met five times.

APS Board of Directors

Top Row (left to right): Dr. Janice MacKinnon, Colin P. MacDonald, Meryl Whittaker

Bottom Row (left to right): Brenda McInnes, Denise Hamilton, Roger Rosychuk, Claudia Roszell

Stakeholder Advisory Committee

In accordance with the USA, the Board has established a Stakeholder Advisory Committee (SAC) as an adjunct to, but not a committee of, the APS Board. The APS Board Chair is the Chair of the SAC. Meetings are attended by the APS CEO and by representatives of each of LAPP Corporation, PSPP Corporation, SFPP Corporation, the Management Employees Pension Board, and Alberta Treasury Board and Finance. By mutual agreement of the participants in 2022, the operations of the SAC were suspended indefinitely.

Board Compensation

Per the USA, Directors' compensation is set by resolution of the shareholder. In 2022, compensation (rounded to the nearest thousand) paid to the Board Chair was \$40,000 (2021 – \$39,000), and aggregate compensation paid to the other Directors totalled \$131,000 (2021 – \$103,000). In addition, Directors' expenses are eligible for reimbursement in accordance with APS' corporate policy and posted on the APS website.

Governance Framework

APS has a comprehensive governance and compliance framework in place, including a Board Code of Conduct; additional documentation is available at apsc.ca under "About APS."



Directors

In accordance with the USA, the Board consists of seven members appointed by the shareholder. In 2022, the Board met seven times (a combination of remote and in-person), including five full meetings and two special meetings.

Name	Term of Service ¹	Board/Committee Membership ²
Colin P. MacDonald	June 2017 – August 2018 August 2018 – October 2021 October 2021 until close of 3rd AMS*	<ul style="list-style-type: none"> • Board Chair • Governance Committee Chair
Brenda McInnes	August 2018 – October 2021 October 2021 – until close of 3rd AMS	<ul style="list-style-type: none"> • Board Vice-Chair • Technology and Innovation Committee Chair • Governance Committee Vice-Chair
Claudia Roszell	June 2017 – September 2020 September 2020 – until close of 3rd AMS	<ul style="list-style-type: none"> • Technology and Innovation Committee Vice-Chair
Roger Rosychuk	February 2013 – September 2020 September 2020 – February 2023	<ul style="list-style-type: none"> • Audit Committee Chair
Meryl Whittaker	November 2019 – September 2022 September 2022 until close of 3rd AMS	<ul style="list-style-type: none"> • Human Resources Committee Chair
Denise Hamilton	October 2021 – until close of 2nd AMS	<ul style="list-style-type: none"> • Audit Committee Vice-Chair
Dr. Janice MacKinnon	October 2021 – until close of 3rd AMS	<ul style="list-style-type: none"> • Human Resources Committee Vice-Chair

¹ Directors are appointed by the shareholder normally for a three-year term. *The Alberta Public Agencies Governance Act* establishes a maximum term of 10 consecutive years.

² Each Director is a member of all standing Board Committees. Committee meetings are normally held in conjunction with the Board meeting. The above stated memberships are for the 2022 fiscal year.

* AMS – Annual Meeting of Shareholder

Compensation Discussion and Analysis

Our People

APS acknowledges the value of attracting and retaining a qualified workforce and strives to reward employees equitably. Our total rewards program encompasses employee direct and indirect compensation, employee benefits, APS value proposition and rewards. APS bases its compensation design and practices on four key principles:

Internal Consistency

Compensation at APS is based upon each employee's expected contribution to the overall achievement of our business objectives, and it is determined by a job evaluation system that is fair, valid and logical.

Market Competitiveness

APS aligns its market strategy with the private and public sectors, with a weighting of 50 per cent between each market and a target of the 50th percentile for compensation and above the 55th percentile for employee benefits.

APS was subject to the Salary Restraint Regulation announced April 1, 2018, which prohibited base pay increases for exempt and management employees. The Salary Restraint Regulation expired March 31, 2022, and directions for modest interim increases were provided with a long-term compensation framework to be introduced in the future by the Provincial Bargaining Coordination Office. APS' market competitiveness continues to be impacted.

Goal Achievement

Through its performance management program, APS endeavours to create an environment that fosters two-way dialogue between managers and employees for the purpose of continuous improvement and linking performance to rewards. We remain committed to achieving excellence, engaging in collaborative and respectful relationships with employees, employers and other stakeholders, and maintaining the highest ethical standards.

Simplicity

APS promotes and rewards desired behaviours and results by designing, implementing and communicating compensation policies and practices that are aligned, consistent and understandable.

Human Resources Committee

The Board's Human Resources Committee (HRC) ensures all human resources policies and practices support the achievement of APS' corporate objectives. The HRC performs its responsibilities to empower the Board to fulfill its overseeing responsibilities for:

- HR strategies that align to APS' strategic plan, business plan and values-based culture
- Compensation and benefits, employment conditions and related risks, and workforce capacity
- Counsel for the appointment, compensation and performance evaluation of the President and CEO
- Succession planning related to the President and CEO and Executive positions

Executive Compensation

The HRC provides direction to the compensation structure for the President and CEO*, and performs the following duties on an annual basis:

- Reviews the compensation structure for the President and CEO within the framework of the *Reform of Agencies, Boards and Commissions Compensation Act*
- Evaluates the performance of the President and CEO against set objectives
- Provides compensation recommendations for the President and CEO to the Board

APS Executives participate in MEPP and SRP. Combined, these plans provide pension benefits equal to two per cent of each Executive's best five-year average pensionable salary for each year of service. The pension provided by MEPP is limited to base salary up to the maximum pensionable salary limit permitted under the federal *Income Tax Act* (ITA). The SRP provides a pension in respect of the base salary in excess of the maximum pensionable salary limit under the ITA.

*APS President and CEO and APS Executives are subject to the Reform of Agencies, Boards and Commissions Compensation Regulation.

Summary Compensation Table

(audited, in thousands)

The table below provides complete disclosure of salary, other cash benefits and other non-cash benefits approved for payment during the years ended December 31, 2022 and 2021 for the President and Vice Presidents.

Position	Base Salary ¹	Other Cash Benefits ²	Other Non-Cash Benefits ³	2022 Total	2021 Total
President and Chief Executive Officer	\$ 283	\$ 19	\$ 74	\$ 376	\$ 339
Vice President, Pensions Services ⁴	231	18	57	306	302
Vice President, Finance and Chief Financial Officer ⁴	228	8	55	291	314
Vice President, Human Resources and Organizational Development ⁴	224	8	52	284	264
Vice President, Information Services and Technology (Incumbent) ⁵	133	18	35	186	–
Vice President, Information Services and Technology (Former) ^{4,5}	89	–	26	115	260
Vice President, Governance and General Counsel ⁶	83	3	22	108	–

1. Base salary includes regular base pay.

2. Other cash benefits include automobile allowance, vacation payouts, and personal leave payouts, as applicable. There were no bonuses paid in 2022 and 2021.

3. Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees. This includes pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships, and education expenses, as applicable.

4. Prior year compensation has been restated to reflect the year vacation payouts were approved for payment.

5. Two individuals occupied the position of VP, Information Services and Technology at different times in 2022. The incumbent occupied this position on May 1, 2022. The former VP, Information Services and Technology left the Corporation on June 10, 2022.

6. The incumbent commenced employment with the Corporation in the position of VP, Governance and General Counsel on August 15, 2022.

The background is a solid teal color. On the right side, there is a large graphic composed of several overlapping triangles. The largest triangle is yellow and contains a photograph of a mountain range with snow-capped peaks and a dense forest of evergreen trees. To its right, a smaller orange triangle overlaps it, showing a similar mountain scene. Below these, a dark brown triangle overlaps the bottom edge, showing a forest of evergreen trees reflected in a body of water. The overall composition is modern and scenic.

Financial Statements

Management's Responsibility for Financial Reporting


The financial statements and information in the 2022 Annual Report are the responsibility of Alberta Pensions Services Corporation (APS) and have been approved by management and the APS Board of Directors (the Board).

The financial statements have been prepared in conformity with Canadian Public Sector Accounting Standards and, of necessity, include some amounts that are based on estimates and judgments. Financial information presented in the 2022 Annual Report that relates to the operations and financial position of APS is consistent with that in the financial statements.

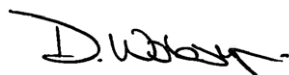
To discharge its responsibility for the integrity and objectivity of financial reporting, APS maintains a system of internal accounting controls comprised of written policies, standards and procedures, and a formal authorization structure. These systems are designed to provide management with reasonable assurance that transactions are properly authorized, that reliable financial records are maintained and that assets are adequately accounted for and safeguarded.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its Audit Committee. As part of this responsibility, the committee reviews the financial statements, the Management's Discussion and Analysis, and the Compensation Discussion and Analysis in the Annual Report, and once satisfied, recommends them to the Board for approval. The committee also meets with management and the external auditor to discuss internal controls, auditing matters and financial reporting issues.

The Auditor General of Alberta, APS' external auditor, provides an independent audit opinion on the financial statements.



Darwin Bozek, FCPA, FCGA, ICD.D
President and Chief Executive Officer



Doug Woloshyn, CPA, CA
Vice President, Finance and Chief
Financial Officer

Independent Auditor's Report



To the Shareholder of Alberta Pensions Services Corporation

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Pensions Services Corporation, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Pensions Services Corporation as at December 31, 2022, and the results of its operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the *Alberta Pensions Services Corporation 2022 Annual Report*, but does not include the financial statements and my auditor's report thereon.

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

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

If, based on the work I have performed on this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

Those charged with governance are responsible for overseeing the Alberta Pensions Services Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

April 26, 2023
Edmonton, Alberta

STATEMENT OF OPERATIONS

Year ended December 31, 2022

(in thousands)

	2022		2021
	Budget	Actual	Actual
Expenses			
Salaries and benefits	\$ 34,682	\$ 33,524	\$ 32,689
Contract services	2,290	2,858	3,229
Software licensing and support	5,355	5,159	4,882
Office related expenses	4,634	4,860	4,397
Amortization (Note 8)	5,764	5,669	5,689
Total before other services	52,725	52,070	50,886
Plan specific and corporate services (Note 5)	4,132	3,063	3,141
Employer specific services (Note 6)	43	44	42
Total operating expenses	56,900	55,177	54,069
Recovery of costs (Note 7)	56,900	55,177	54,069
Annual surplus (deficit)	-	-	-
Net assets at beginning of year	-	-	-
Net assets at end of year	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Approved by the Board:



Colin P. MacDonald, K.C., ICD.D

Chair, Board of Directors



Denise Hamilton, CPA, CMA, ICD.D

Chair, Audit Committee

STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

(in thousands)

	2022	2021
Financial assets		
Cash	\$ 1,737	\$ 3,205
Accounts receivable	46	26
Due from pension plans and plan corporations (Note 7)	1,604	951
	3,387	4,182
Liabilities		
Accounts payable and other accrued liabilities	3,623	3,755
Accrued salaries and benefits	223	125
Accrued vacation pay	868	971
Deferred lease inducement (Note 12)	415	664
	5,129	5,515
Net Debt	(1,742)	(1,333)
Non-financial assets		
Tangible capital assets (Note 8)	28,822	31,910
Prepaid expenses	1,742	1,333
	30,564	33,243
Net assets before spent deferred capital contributions	28,822	31,910
Spent deferred capital contributions (Note 8)	28,822	31,910
Net assets (Note 9)	\$ -	\$ -

Contractual obligations (Note 12)**Contingent liabilities** (Note 13)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGE IN NET DEBT

Year ended December 31, 2022

(in thousands)

	2022		2021
	Budget	Actual	Actual
Annual surplus (deficit)	\$ -	\$ -	\$ -
Acquisition of tangible capital assets (Note 8)	(3,010)	(2,581)	(2,580)
Amortization of tangible capital assets (Note 8)	5,764	5,669	5,689
Change in spent deferred capital contributions	(2,754)	(3,088)	(3,109)
Change in prepaid expenses	-	(409)	(178)
Increase in net debt	-	(409)	(178)
Net debt at beginning of year	(1,155)	(1,333)	(1,155)
Net debt at end of year	\$ (1,155)	\$ (1,742)	\$ (1,333)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended December 31, 2022

(in thousands)

	2022	2021
Operating transactions		
Annual surplus (deficit)	\$ -	\$ -
Non-cash items included in annual surplus (deficit):		
Amortization of tangible capital assets (Note 8)	5,669	5,689
Decrease in deferred lease inducement (Note 12)	(249)	(249)
Amortization of spent deferred capital contributions (Note 8)	(5,669)	(5,689)
	(249)	(249)
(Increase) decrease in accounts receivable	(20)	40
Increase in prepaid expenses	(409)	(178)
(Increase) decrease in due from pension plans and plan corporations	(653)	489
(Decrease) increase in accounts payable and other accrued liabilities	(132)	826
Increase (decrease) in accrued salaries and benefits	98	(540)
(Decrease) increase in accrued vacation pay	(103)	142
Cash (applied to) provided by operating transactions	(1,468)	530
Capital transactions		
Acquisition of tangible capital assets (Note 8)	(2,581)	(2,580)
Cash applied to capital transactions	(2,581)	(2,580)
Financing transactions		
Increase in spent deferred capital contributions (Note 8)	2,581	2,580
Cash provided by financing transactions	2,581	2,580
(Decrease) increase in cash	(1,468)	530
Cash at beginning of year	3,205	2,675
Cash at end of year	\$ 1,737	\$ 3,205

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2022

1. Authority

Alberta Pensions Services Corporation (APS) is incorporated under the *Business Corporations Act* (Alberta). APS is a “Provincial corporation” under the *Financial Administration Act* (Alberta) and a “public agency” under the *Alberta Public Agencies Governance Act*. The issued share of the Corporation is owned by the Government of Alberta and accordingly, the Corporation is exempt from income taxes under the *Income Tax Act*. APS is referred to as “the Corporation” throughout the Notes to the Financial Statements.

2. Nature of Operations

The Corporation provides a comprehensive suite of pension administration services in respect of nine registered and unregistered pension plans. These services are provided pursuant to a “Pension Services Agreement” with each of LAPP Corporation, PSPP Corporation, and SFPP Corporation and a “Pension Administration Services Agreement” with the Government of Alberta.

The services provided to LAPP Corporation, PSPP Corporation, and SFPP Corporation are respectively in relation to the Local Authorities Pension Plan (LAPP), the Public Service Pension Plan (PSPP), and the Special Forces Pension Plan (SFPP). These services are provided pursuant to the *Joint Governance of Public Sector Pension Plans Act* (Alberta) and in accordance with the *Employment Pension Plans Act* (Alberta).

The services provided to the Government of Alberta pertain to the following registered and unregistered pension plans:

- Management Employees Pension Plan (MEPP) and Public Service Management (Closed Membership) Pension Plan (PSM(CM)PP), each established and governed by the *Public Sector Pension Plans Act* (Alberta);
- Supplementary Retirement Plan (SRP) for Public Service Managers (established by Treasury Board Directive);
- Provincial Judges and Applications Judges (Registered) Pension Plan and Provincial Judges and Applications Judges (Unregistered) Pension Plan (JPP), each established and governed by Alberta Regulation 196/2001;
- Members of the Legislative Assembly (Registered) Pension Plan (MLAPP), established and governed by the *Members of the Legislative Assembly Pension Plan Act* (Alberta).

3. Summary of Significant Accounting Policies

Basis of Presentation

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS).

Recovery of Costs

All recoveries of costs are reported on the accrual basis of accounting. Accruals for the recovery of costs are recognized as the related expenses are incurred.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

Financial statement component	Measurement
Cash and cash equivalents	Cost
Accounts receivable and due from pension plans and plan corporations	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities, accrued salaries and benefits, and accrued vacation pay	Cost

Financial Assets

Financial assets are the Corporation's financial claims on external organizations and individuals.

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts receivable

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

Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-financial Assets

Non-financial assets are limited to tangible capital assets and prepaid expenses.

3. Summary of Significant Accounting Policies (Continued)

Tangible capital assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets and overhead directly attributable to construction and development.

Assets under construction are not amortized until after a project is substantially complete and the asset is put into service.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs). The discount rate used to determine the present value of the lease payments is the lower of the Corporation's rate for incremental borrowing or the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Term of lease
Pension Benefits Administration System (Compass)	12 years
Furniture and equipment	5 years
Computer hardware and software	3 years

The costs of improvements or betterments of the Compass System are amortized on a straight-line basis over the remaining useful life of the Compass System.

The threshold for capitalizing software is \$100,000 and \$5,000 for all other items, where these items have a useful life in excess of one year.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

Prepaid expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

Financial Instruments

Financial instruments of the Corporation consist of cash, accounts receivable, due from pension plans and plan corporations, accounts payable and other accrued liabilities, accrued salaries and benefits, and accrued vacation pay. Due to their short-term nature, the carrying value of these instruments approximates their fair value.

As the Corporation does not have any transactions involving financial instruments that are classified in the fair value category, there are no remeasurement gains and losses and therefore, a statement of remeasurement gains and losses has not been presented.

Use of Estimates

The preparation of financial statements in conformity with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as, the disclosure of contingent assets and liabilities in the financial statements. Actual results could differ from these estimates, and the impact of any such differences will be recognized in future periods. The significant area requiring the use of management estimates relates to the estimated useful lives of tangible capital assets.

4. Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting updates:

- **PS 3400 Revenue (effective April 1, 2023)**

This accounting standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

- **PSG 8 Purchased Intangibles (effective April 1, 2023)**

This guideline allows recognition in financial statements of intangibles purchased through an arm's length exchange transaction and meeting the definition of an asset.

The Corporation has not yet adopted these standards. Management is currently assessing the impact of these standards on the financial statements.

5. Plan Specific and Corporate Services

(in thousands)

The Corporation provides certain tailored services to plan corporations and public sector pension plans and their respective boards and committees. These services may include amending system specifications for plan text changes, client requests, optional services and other costs not attributed to all of the plans served by the Corporation.

Entity	2022	2021
MEPP	\$ 732	\$ 852
LAPP	691	889
PSPP	616	414
SFPP	353	233
SRP	172	153
JPP (Registered)	119	125
LAPP Corporation	95	75
JPP (Unregistered)	94	111
SFPP Corporation	88	104
PSPP Corporation	73	128
PSM(CM)PP	22	49
MLAPP	8	8
	\$ 3,063	\$ 3,141

6. Employer Specific Services

(in thousands)

In 2008, the Minister approved the Corporation administering post-retirement benefits for certain employers who participate in the public sector pension plans. The Corporation also entered into an agreement to provide certain administration services on a cost-recovery basis to Alberta Investment Management Corporation (AIMCo), a related Crown Corporation, in respect of an AIMCo supplementary retirement plan. All costs associated with administering these benefits are recovered directly from the specific employers as follows:

Employer	2022	2021
Alberta Health Services	\$ 1	\$ 1
City of Edmonton	1	1
EPCOR	1	1
Government of Alberta	1	1
	4	4
Alberta Investment Management Corporation	40	38
	\$ 44	\$ 42

7. Recovery of Costs

(in thousands)

The Corporation charges each public sector pension plan and plan corporation with its proportionate share of the Corporation's operating costs based on the cost recovery methodology approved by the Board of Directors. Prior year's cost recovery methodology was described in each of their formal agreements. At December 31, 2022, \$1,604 (2021 – \$951) is receivable from the plans and plan corporations. The receivable at year end is directly related to the timing of the receipt and disbursement of funds.

Entity	2022	2021
LAPP	\$ 38,491	\$ 37,966
PSPP	10,944	10,507
MEPP	2,503	2,462
SFPP	1,495	1,323
SRP	622	592
PSM(CM)PP	245	359
JPP (Registered)	218	224
JPP (Unregistered)	191	207
LAPP Corporation	95	75
SFPP Corporation	88	104
PSPP Corporation	73	128
MLAPP	68	70
	55,033	54,017
Interest and other cost recoveries	100	10
Employer specific services (Note 6)	44	42
	\$ 55,177	\$ 54,069

8. Tangible Capital Assets

(in thousands)

	2022					2021
	Compass system	Computer hardware & software	Leasehold improvements	Furniture & equipment	Total	Total
Estimated useful life	12 years	3 years	Lease term	5 years		
Historical Cost⁽¹⁾						
Beginning of year	\$ 55,127	\$ 9,781	\$ 6,335	\$ 1,557	\$ 72,800	\$ 70,886
Additions	1,634	916	–	31	2,581	2,580
Disposals, including write-downs	–	(418)	–	–	(418)	(666)
	56,761	10,279	6,335	1,588	74,963	72,800
Accumulated Amortization						
Beginning of year	24,872	8,164	6,335	1,519	40,890	35,867
Amortization expense	4,699	951	–	19	5,669	5,689
Effect of disposals, including write-downs	–	(418)	–	–	(418)	(666)
	29,571	8,697	6,335	1,538	46,141	40,890
Net Book Value at						
December 31, 2022	\$ 27,190	\$ 1,582	\$ –	\$ 50	\$ 28,822	
Net Book Value at						
December 31, 2021	\$ 30,255	\$ 1,617	\$ –	\$ 38		\$ 31,910

Financing obtained from the public sector pension plans to acquire tangible capital assets is recognized as spent deferred capital contributions. The recovery of costs is recognized on the same basis as the tangible capital assets are amortized.

⁽¹⁾ Historical cost includes asset under construction at December 31, 2022 totaling \$567 (2021 – \$1,941) comprised of Compass system \$93 (2021 – \$1,607), Computer hardware and software \$474 (2021 – \$304) and Furniture and equipment \$nil (2021 – \$30).

9. Share Capital

	2022	2021
Issued:		
1 common share	\$ 1	\$ 1

An unlimited number of common and preferred shares are authorized with a single common share issued (Note 1).

10. Employee Future Benefits

(in thousands)

The Corporation participates in three multi-employer defined benefit public sector pension plans, PSPP, MEPP and SRP, and an additional Reserve Fund. Multi-employer plans are accounted for as defined contribution plans. Accordingly, the Corporation does not recognize its share of any plan surplus or deficit. The expense for these pension plans is equivalent to the annual contributions of \$3,080 for the year ended December 31, 2022 (2021 – \$3,033). This amount is included in salaries and benefits.

An actuarial valuation is performed to assess the financial position of the plan and adequacy of the plan funding. At December 31, 2021, PSPP reported a surplus of \$4,588,479 (2020 – surplus of \$2,223,582), MEPP reported a surplus of \$1,348,160 (2020 – surplus of \$809,850) and SRP had a deficiency of \$20,982 (2020 – deficiency of \$59,972).

11. Related Party Transactions

(in thousands)

Related parties are those entities consolidated using either line by line or modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation. The Corporation and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Corporation had the following transactions with related parties reported in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2022	2021
Expenses		
Data processing, software licences, printing and postage	\$ 1,545	\$ 1,246
Risk management and insurance	211	211
	\$ 1,756	\$ 1,457
Payable to Government of Alberta	\$ 664	\$ 593

The Corporation also provided services to the plan corporations and public sector pension plans and their respective boards and committees as disclosed in Notes 5 and 7. These transactions are in the normal course of operations.

12. Contractual Obligations

(in thousands)

The Corporation has entered into some multi-year agreements whereby the Corporation will be obligated to make future payments when the goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

Year	Operating ⁽¹⁾	Capital ⁽²⁾	Total
2023	\$ 4,967	\$ 9	\$ 4,976
2024	2,119	-	2,119
2025	182	-	182
2026	28	-	28
Thereafter	25	-	25
	<u>\$ 7,321</u>	<u>\$ 9</u>	<u>\$ 7,330</u>

⁽¹⁾ The Corporation entered into a 5 year lease renewal agreement for the facility commencing on September 1, 2019. As part of the lease agreement, the Corporation received a lease inducement of \$1,245. The inducement is recognized as a reduction in lease expense over the five year term of the lease. At December 31, 2022, there is \$415 (2021 - \$664) remaining in the deferred lease inducement.

Operating obligations include non-cancellable purchase and contract commitments from service and software license agreements.

⁽²⁾ The Corporation has a multi-year commitment with an external vendor to upgrade the Corporation's Pension Benefits Administration (Compass) system. Assets under construction includes \$93 related to this upgrade at December 31, 2022. \$9 of the capital commitment is expected to be incurred in 2023 to complete the upgrade.

13. CONTINGENT LIABILITIES

(in thousands, except number of claims)

The Corporation is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals are made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at December 31, 2022 and 2021, there are no accruals recognized as a liability.

The Corporation has been named in 6 (2021 - 9) claims, the outcomes of which 1 claim is likely and 5 cases are not determinable. In most cases these claims have been filed jointly and severally against the Corporation, one of the pension plans and in some cases involve third parties. Of the likely claims, 1 (2021 - 1) has a specified amount totaling \$200 (2021 - \$200). Of the indeterminate claims, 2 (2021 - 1) has a specified amount totaling \$950 (2021 - \$800). The remaining claims have no specified amounts. Management estimates that any potential liability relating to these claims would be to the pension plan(s) named for any benefit related costs and any potential damages would be covered by the insurance provided by the Alberta Risk Management Fund.

The resolution of claims may result in a liability, if any, that may be significantly lower than the claimed amount.

14. Salaries and Benefits Disclosure

Details of Executive and Board member remuneration are presented in the Compensation Discussion and Analysis section of the Corporation's 2022 Annual Report.

15. Financial Instruments

Liquidity risk is the risk of not being able to meet the Corporation's cash requirements in a timely and cost-effective manner. The Corporation's only source of liquidity is amounts charged to pension plans and plan corporations (Note 7).

It is management's opinion that the Corporation is not exposed to any risk arising from this financial instrument.

16. 2022 Budget

(in thousands)

The Corporation's 2022 budget was approved by the Board of Directors on November 23, 2021. The budget for Salaries and benefits was increased by \$400 and Acquisition of capital assets was increased by \$530 in February 2022 based on targets received from the Corporation's shareholder, the Government of Alberta. The budget disclosed in the financial statements reflects the revised budget which is consistent with the financial statements of the Government of Alberta.

17. Approval of Financial Statements

The Board approved the financial statements of the Corporation.

Public Interest Disclosure (Whistleblower Protection) Act

Supplementary Information Required by Legislation

For the year ended December 31, 2022 (Unaudited)

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* (the "Act") requires the Corporation's chief officer (APS' Chief Executive Officer) to report annually on the following information:

- a) the number of disclosures received by or referred to the designated officer of the Corporation, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
- b) the number of investigations commenced by the designated officer as a result of the disclosures; and
- c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing, or the reasons why no corrective measure was taken.

In 2022, the Corporation's designated officer did not receive or were referred any disclosures of wrongdoing.

Corporate Information



Corporate Directory

(as at December 31, 2022)

Steven French *(top left)*

Vice President, Information Services and Technology and Chief Information Officer

Darwin Bozek *(top middle)*

President and Chief Executive Officer

Troy Mann *(top right)*

Vice President, Pensions Services

Doug Woloshyn *(bottom left)*

Vice President, Finance and Chief Financial Officer

Tamara Janzen *(bottom middle)*

Vice President, Human Resources and Organizational Development

Tony Kurian *(bottom right)*

Vice President, Governance and General Counsel

Contact Information

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