

Operating Budget Fiscal Year 2026/2027

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2026-27 Operating Budget

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2026-27 Operating Budget

Deficit

\$22.4M Budgeted Operating Deficit

Revenues

- \$3.9M  Ministry funding
- No change  Recoveries & other revenues

Expenses

- \$5.6M  \$2.6M Salaries & benefits, \$3M Medical staff remuneration
- \$0.5M  Non-salary expenses
- \$0.1M  Interest
- \$0.7M  Amortization

2026-27 Operating Budget

\$,000s	Budget 2026-27	Budget 2025-26
Revenues	\$80,596	\$76,640
Expenditures	<u>\$103,011</u>	<u>\$97,712</u>
Surplus/(Deficit)	<u>(\$22,415)</u>	<u>(\$21,072)</u>



2026-27 Budget – Major Assumptions

Assumptions

Ministry Revenues	➤ 2% base adjustment increase
Salaries	➤ 2.25% cost of living adjustment
Agency	➤ 2025/26 run rate with 3% increase
Non-Salary Expenses	➤ 2% overall increase. Reviewed & updated line by line
Interest	➤ Based on loan agreements and assumption of full use of LOC
Amortization	➤ Based on detailed calculations and expected additions
Services	➤ Maintaining all services & programs as currently mandated by the government

2026-27 Operating Budget

Revenues

\$,000s	Budget 2026-27	Budget 2025-26
Ministry Revenues	\$75,052	\$71,134
Non-Ministry Revenues	<u>\$5,544</u>	<u>\$5,506</u>
Total Revenues	<u>\$80,596</u>	<u>\$76,640</u>

2026-27 Operating Budget

Expenditures

\$,000s	Budget 2026-27	Budget 2025-26
Salaries & Benefits	\$62,162	\$59,522
Medical Staff Remuneration	\$11,620	\$8,645

- 72% of total expenditures, fairly consistent with previous year at 70%
- Collective agreement wage rate & step increases
- 2.25% economic increase assumption

2026-27 Operating Budget Expenditures

\$,000s	Budget 2026-27	Budget 2025-26
Non-Salary	\$24,478	\$23,976

- Departmental budgets reset line by line
- 2% overall budget increase aligned with OH/MOH parameters

2026-27 Operating Budget

Expenditures

\$,000s	Budget 2026-27	Budget 2025-26
Interest	\$1,108	\$1,218

- Calculation based on loan agreements and expected full use of LOC throughout 26/27

2026-27 Operating Budget Expenditures

\$,000s	Budget 2026-27	Budget 2025-26
Amortization	\$3,643	\$4,351

- Calculated based on actual amortization schedule of existing assets and anticipated additions in 26/27 (Foundation, Municipal & HIRF funded)



2026-27 Operating Budget



	APPROVED BUDGET 2025/26	DRAFT BUDGET 2026/27	INCREASE/DECREASE (2026/27 - 2025/26)
Revenue			
Ministry of Health, OH, CCO	\$63,436,359	\$64,969,359	\$1,533,000
Ministry Other	7,697,495	10,082,306	2,384,811
Patient Accommodations & Copayment	1,402,500	1,402,500	-
Recoveries & Misc Revenue	1,654,000	1,654,000	-
Amortization Equipment	2,450,000	2,487,380	37,380
Revenue Total	76,640,354	80,595,545	3,955,191
Expense			
Salaries & Benefits	59,522,000	62,162,000	2,640,000
Medical Staff Remuneration	8,645,000	11,620,000	2,975,000
Drug & Medical/Surgical Supplies	1,271,000	1,323,510	52,510
Supplies Med/Surg	5,796,896	5,969,900	173,004
Supplies & Other	16,908,366	17,184,877	276,511
Interest	1,217,695	1,108,232	(109,463)
Amortization Expense	4,350,955	3,642,656	(708,299)
Expense Total	97,711,912	103,011,175	5,299,263
Operating Deficit	(21,071,558)	(22,415,630)	(1,344,072)
Non-Sharable Amortization Land/building & Interest			
Non-Sharable Amortization Land/building & Interest	508,000	153,370	(354,630)
Total Deficit	(21,579,558)	(22,569,000)	(989,442)

Budget Risks

Risk	Risk Level	Mitigation Strategy
Insufficient Funding	High	2% increase applied as instructed by OH/MOH. Ministry support. Cash Advances, LOC, OFA loan
Use of agency staff	Medium	Dependent on agency staffing to ensure service continuity. Reduction goals of agency staffing.
Capacity Surge	High	Multi-disciplinary patient flow & community partnerships.
Inadequate Staffing & OT	High	Recruitment & retention initiatives
Equipment Failure Breakdown	High	Risk based prioritization, contingency
Technology Inadequacies	Medium	Back-office project. LDG participation.

Budget Opportunities

- Base funding adjustment
- One-time operational pressures funding
- Reduction in agency use
- Optimize scheduling – Workforce Edge project

What's NOT included

- Automated dispensing units
- PSWs, Physician Assistants, geriatric professional, medical reconciliation techs, 24/7 Respiratory Therapist
- ED triage clerks, after hours clerks, porters
- Closed ICU with multidisciplinary critical care team
- Decision Support etc.....

Long-term Forecast

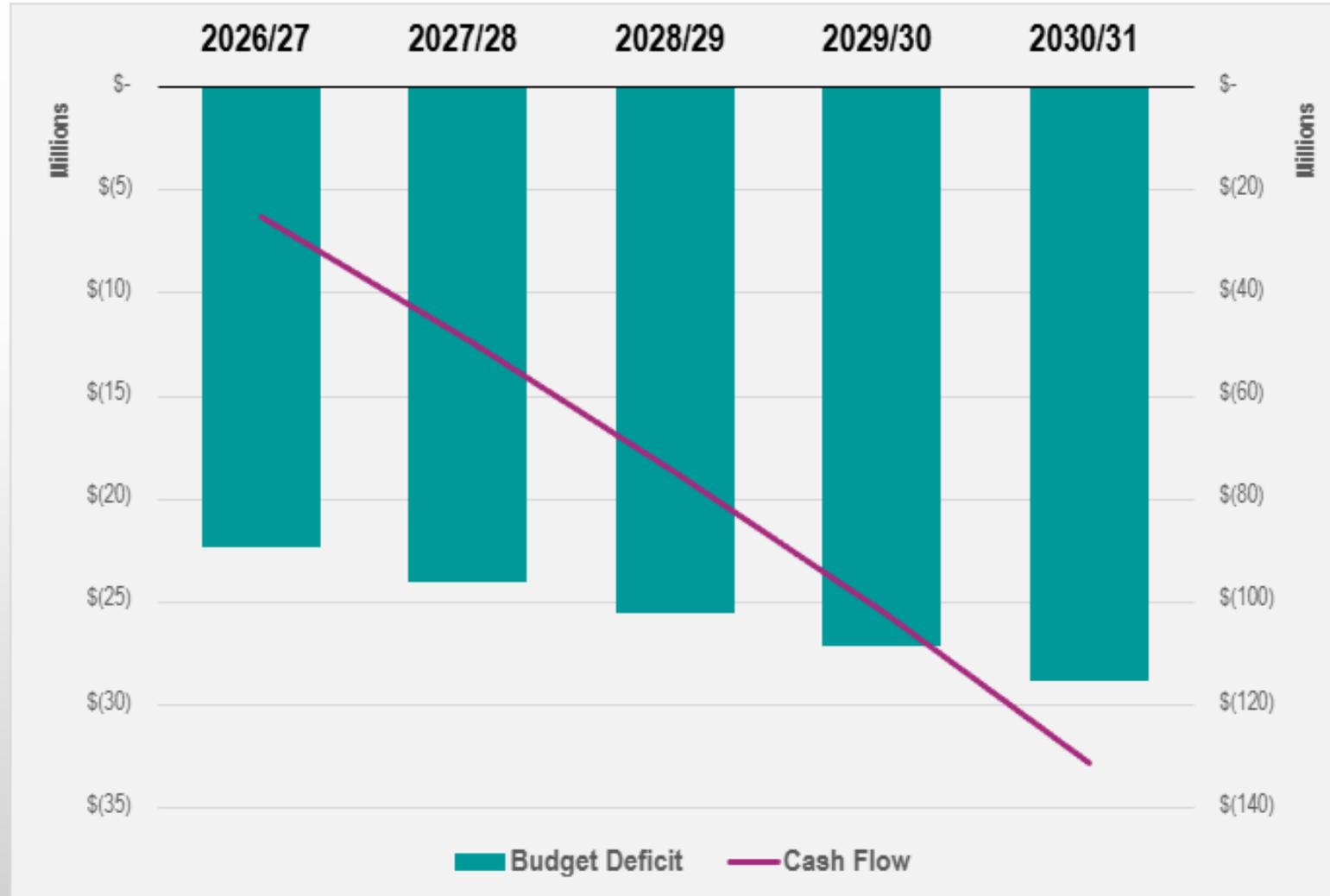
Assumptions

Ministry Revenues	<ul style="list-style-type: none"> ➤ Conservative increase of 2% per year ➤ \$0 One-Time funding included ➤ No ministry intervention / base funding adjustment estimated
Non-Ministry Revenues	<ul style="list-style-type: none"> ➤ 1% per year increase
Salaries	<ul style="list-style-type: none"> ➤ 3% cost of living adjustment per year
Interest	<ul style="list-style-type: none"> ➤ OFA Loan: 15-year term loan ➤ MRI Loan: Assumes no prepayment ➤ Full utilization of bank LOC
Medical/Surgical Supplies and Gases	<ul style="list-style-type: none"> ➤ Assumes 3% annual inflation
Other Supplies	<ul style="list-style-type: none"> ➤ Assumes 3% annual inflation
Capital Acquisitions	<ul style="list-style-type: none"> ➤ Assumes capital acquisitions are fully funded by deferred capital contributions. No redevelopment costs included.

Long-term Forecast

Statement of Operations	Recommended BUDGET 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31
Revenue					
Ministry	\$75,052	\$76,089	\$77,146	\$78,225	\$79,325
Non-Ministry	5,544	5,796	5,830	5,863	5,897
Revenue Total	80,596	81,885	82,976	84,088	85,222
Expense					
Salaries & Benefits	62,162	64,027	65,948	67,926	69,964
Medical Staff Remuneration	11,620	11,626	11,632	11,638	11,644
Drugs & Medical Gases	1,324	1,363	1,404	1,446	1,490
Supplies Medical/Surgical	5,970	6,149	6,333	6,523	6,719
Supplies & Other	17,185	18,200	18,746	19,309	19,888
Interest	1,108	945	884	820	753
Amortization Expense	3,643	3,643	3,643	3,643	3,643
Expense Total	103,011	105,953	108,590	111,305	114,100
Operating Deficit	(22,416)	(24,068)	(25,615)	(27,217)	(28,878)

Financial Health



Questions?

