

Operating Budget Fiscal Year 2026/2027

Presented to: Board of Directors

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2026-27 Operating Budget

- Summary
- Assumptions
- Statement of Operations
- Risks
- Opportunities
- What's NOT Included



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 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 Lumeo project amortized over 15 years
Services	➤ Maintaining all services & programs as currently mandated by the government



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.....

Questions?

