Appendix A

Animal Services Special Operating Agency

2018 – 2020 Business Plan

Service Overview:

Animal Services continues to provide animal control measures under the City of Winnipeg Charter and related by-law. The Agency's current service consists of four areas:

Sub-Service	Description
Licensing	o Pet licensing o Excess animal permits
Adoption/Education	o Adoption of unclaimed dogs o Public education programs on responsible pet ownership
Kenneling	o Kenneling and care for stray animals running-at-large picked up by the Agency and the public. o Quarantine kenneling for biting dogs
By-Law Enforcement	o Enforcement of the RPO By-law o Neighborhood dispute resolution o Investigation and response o After hours emergency response o Investigation of illegal animal complaints

The Agency works in partnership with the veterinarian community, the Winnipeg Humane Society (WHS) and other stakeholders to ensure the human and animal populations of the City of Winnipeg can co-exist in harmony.

Strategic Direction:

Animal Services continues to build on the expectations of its stakeholders and remains committed to its goals and strategies, which are critical to improved customer service, core business operation and financial stability. These expectations relate to:

- A strengthened commitment to public and animal health and safety through increased public awareness and increased pet ownership education;
- An improved public image.

Goals and Strategies:

Maintain the enforcement of the Responsible Pet Ownership Bylaw and continue to educate pet owners regarding their responsibilities, including pet licensing.

- Maintain "Zero Tolerance" pet licensing policy coupled with value added educational messaging.
    - Effective October 1, 2016, Winnipeg became a zero tolerance pet licensing city for both dogs and cats. Zero tolerance means that if you are a pet owner and your pet is not currently licensed, you will be immediately subject to a $250 fine.
    - Over 54,000 dogs and 28,000 cats are now licensed in Winnipeg. Included in these totals are approximately 3,000 complimentary one year licenses, which were issued through adoptions and low-income spay/neuter programs.
    - An educational newsletter is mailed out annually to licensed pet owners. The newsletter is designed as an educational tool to communicate the value of licensing along with the good things being done with licensing dollars.

    - Advertising and media collaboration will continue to be used to educate the public about the zero tolerance policy and the value and importance of pet licensing.
    - License revenues help protect one's pet while supporting the essential service of animal control.
    - Licensing enforcement will continue with the Agency's complement of Animal Services Officers.
- Continue e-commerce capabilities on Winnipeg.ca:
    - Online pet licensing.
    - Online donations to support animals in the Agency's adoption program.
- Provide ongoing opportunities for public education regarding the Responsible Pet Ownership Bylaw.
- Target common dog walking areas with both educational and dog license messaging.

Increase customer service and satisfaction through improvement in front-line service delivery.

- Actively engage the community through seven day a week facility business hours.
- Modernized website presence on Winnipeg.ca/animalservices including adoptable animals and educational messaging.
- Open engagement for feedback from the community through an annual newsletter.
- Multiple volunteer run social media platforms including Facebook, Instagram, Twitter, and YouTube.
- Review the Agency's technological needs and upgrade as necessary.
- Support ongoing staff training and development.

Improve health and safety of neighborhoods.

- Provide active response to community incidents involving animals.
- Respond to both Winnipeg Police Service and Winnipeg Fire Paramedic Service incidents to assist in the care of animals.
- Enhance prevention and education programs. The Agency attends more than 30 community events annually.
- Provide volunteer opportunities including programming that helps at risk youth.
- Provide presentations to newcomer groups regarding interacting with dogs and cats.
- Provide educational materials for both animals and people including social services messaging.
- Develop ongoing creative marketing promotions regarding responsible pet ownership and Animal Services.
- Encourage pet owners to spay/neuter their pets.
- Continue to make funding available for cat spay/neuter programming to community agencies through the FIXIT grant program. Funding is made possible through cat licensing.
- Continue relationship with 311, including 24/7 reunification of licensed pets and the ability to sell pet licenses.
- Use social media to help increase return rate of lost pets.

Improve the Agency's public image.

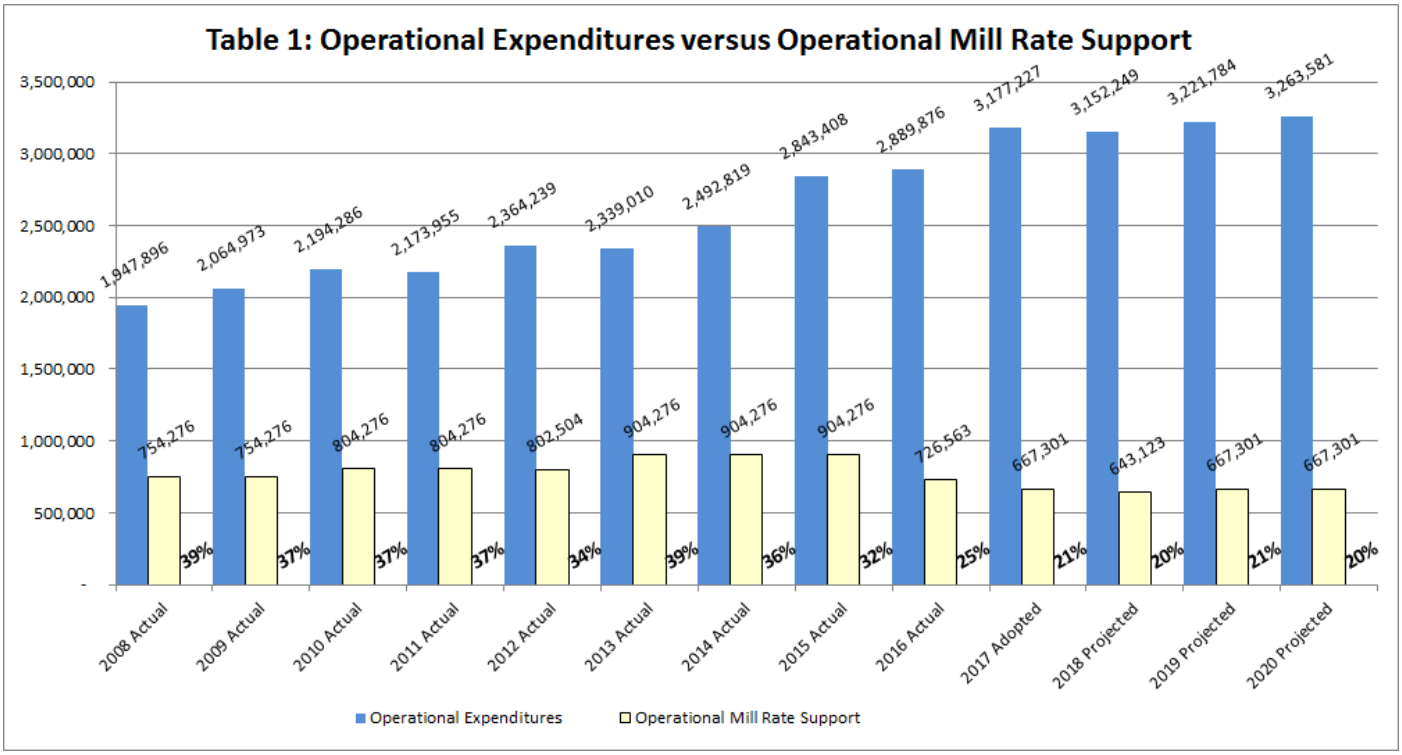
- Provide opportunities for public engagement through a facility open seven days a week and outreach by Animal Services Officers including attendance at numerous community events.
- Expand relationship with media promoting responsible pet ownership and Agency initiatives.
- Provide a progressive adoption program of unclaimed dogs, including promotion on Winnipeg.ca and through social media.
    - Work to reduce euthanizations as much as possible.
- Continue 24/7 emergency response and care for injured animals.
- Provide caring and compassionate help for both animals and people in the community.

Financial Information:

Pro forma financial statements with 2018 to 2020 Projections are attached. These include a Projected Statement of Financial Position, Projected Statement of Operations and Accumulated Deficit, Projected Statement of Cash Flows and a Projected Statement of Net Financial Liabilities.

2016 Audited Financial Statements are attached for reference (Appendix B).
Tax-supported funding for the Agency is reflected as a Mill Rate Support Transfer to Animal Services in the Community Services Department budget.

Table 1 outlines the Agency's growing reliance on license and other service revenues. Operational expenditures ($3,804,522), excluding the grant to the WHS ($652,273), are projected to be $3,152,249 in 2018. Operational mill rate support for 2018 is projected to be $643,123 (gross mill rate support $1,295,396 less WHS grant $652,273). The proposed funding for 2018 will only cover 20% of the Agencies costs leaving $2,509,126 to be covered by license and other service revenues. As a result, the Agency has to place significant reliance on license revenues in order for the Animal Services agency to successfully operate.



REVENUE:

Mill Rate Support

- The direct mill rate support to Animal Services operational expenses in 2018 is projected to be $643,123 after $652,273 of the gross mill rate support ($1,295,396) is transferred to the Winnipeg Humane Society.
- In 2016, the City entered into a three year service agreement with the Winnipeg Humane Society primarily for the care and kennelling of stray cats. The Winnipeg Humane Society received a $152,273 increase in funding in 2016 to be paid through Animal Services; however, the overall mill rate support transferred to Animal Services was reduced by Council.
- The 2018 mill rate support of $1,295,396 has decreased by $24,178 from 2017.

Revenue (Non-Mill rate Sources)

The Agency receives revenue from a number of sources, including pet licenses, impound and kennel fees, permits, adoption sales, surrendered animals, and trap rentals.

Dog Licensing

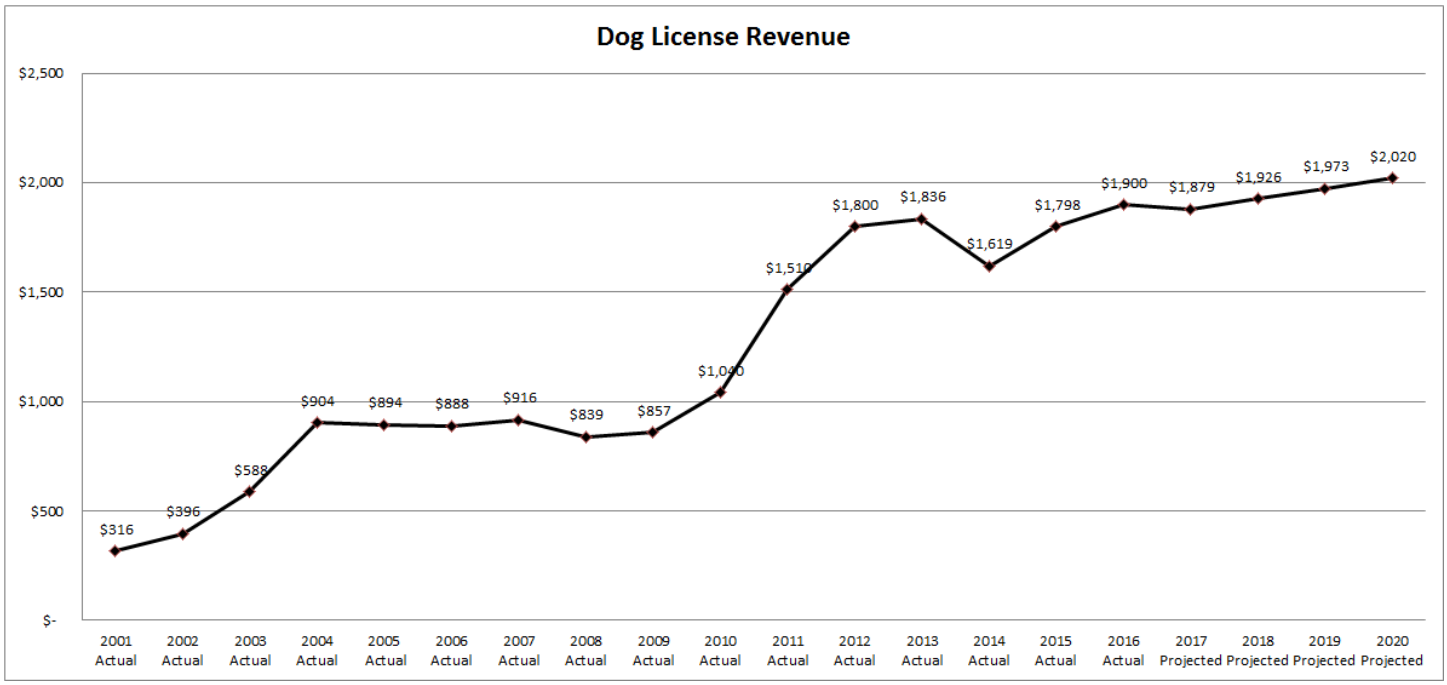
Annual inflationary increases of 1.2% are projected for 2018 and 2% for 2019 and 2020 for dog licenses fees.

Table 2 outlines dog license revenues, recognized and recorded on an accrual basis, for 2001 – 2016 with projected revenues for 2017 through 2020. Future year's revenues are based on 47,000 licenses being sold of which 92% are expected to be for sterilized dogs.

As with the previous table, this data shows that the Agency's reliance on licensing revenues is increasing. The Agency has seen significant growth in licensing and other revenues since it first became a special operating agency; however, revenues are slowing, with and expected decrease from 2016.

The Agency actively pursues opportunities to offset operating costs of the Agency including soliciting donations to help with adoption programming.

TABLE 2: Dog License Projected Revenue
($000)



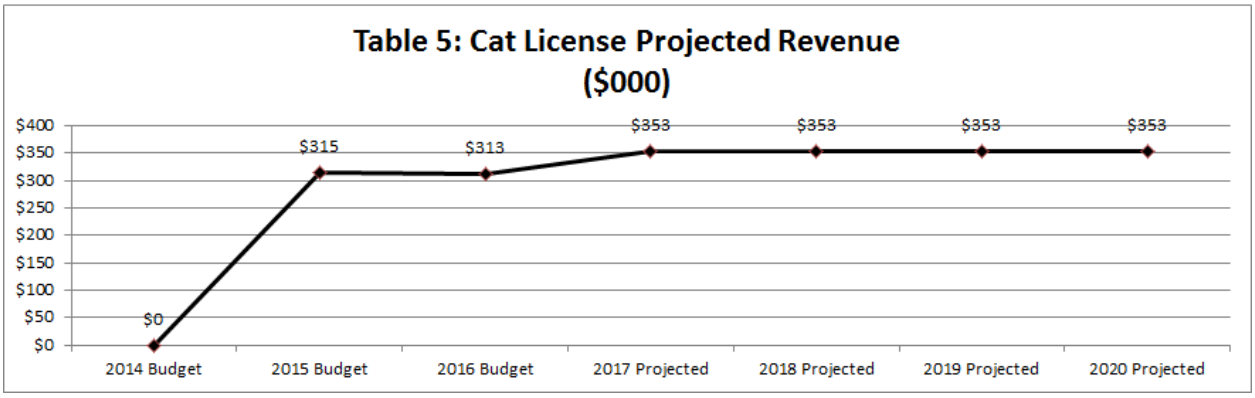
Since license purchases and renewals occur throughout the year, there is unearned revenue on hand at year-end that is deferred to future years. Deferred revenue from previous years is recognized in income throughout the year.

Cat Licensing

Council approved the implementation of cat licensing effective January 1, 2015. The annual cat license fees are $15.00 for sterilized cats and $50.00 for intact cats. License Fees are proposed to remain at these levels for 2018. Half of cat licenses fees are set aside for low cost cat spay/neuter programming.

Table 3 outlines projected revenues for 2018 through 2020. Future year's revenues are based on 23,000 licenses being sold of which 99% are expected to be for sterilized cats.

TABLE 3: Cat License Projected Revenue
($000)



Other Regulation Fees

- Other regulation fees are proposed to increase by the rate of inflation in all budget years, as provided by the City's Fees and Charges Policy.

EXPENSES:

Table 4 shows the Agency's actual and projected expenses for the period 2015 through 2020.

TABLE 4: Actual and Projected Expenses

Expense Type	2015 Actual	2016 Actual	2017 Forecast	2018 Proposed	2019 Projected	2020 Projected
Salaries & Benefits	1,607,199	1,589,599	1,823,520	1,828,833	1,896,706	1,948,796
Services	318,617	330,983	331,319	310,151	310,151	310,177
Departmental Services	247,721	251,548	255,229	255,586	255,944	255,944
Materials, Parts, Supplies	76,934	100,294	102,248	116,298	117,298	118,298
Fleet	119,015	113,737	130,156	129,905	130,209	118,890
Assets & Purchases	2,833	4,331	48,432	8,708	8,708	8,708
Debt & Finance Charges	68,349	71,561	56,914	73,186	73,186	73,186
Grants, Transfers, WHS	915,742	1,494,829	1,081,682	1,081,855	1,081,855	1,081,855
Total Expenses	**3,356,410**	**3,956,882**	**3,829,500**	**3,804,522**	**3,874,057**	**3,915,854**

Salaries and Benefits *(2018 Proposed = $1,828,833)*

- 2018 proposed salary levels are based on existing grades and levels as per the collective agreements. Staffing levels have not increased for three years and remain constant.
- The total staff complement will consist of 27.30 FTE.
    - The CUPE positions include:
        - Six clerical staff (one Clerk C, one Clerk B, and four Clerk A positions)
        - Three part-time Clerk A positions (total 2.01 FTE)
        - One Adoption/Education Coordinator
        - Two Animal Services Officer II positions
        - Ten Animal Services Officer I positions
        - Two part-time Animal Services Officer I positions (total 1.0 FTE)

        - One Kennel Attendant
        - Three part-time Kennel Attendant Assistants (total 1.29 FTE)
    - The WAPSO/WAPSO exempt positions include:
        - One Chief Operating Officer
        - One Field Operations/Court Coordinator
        - One Financial Analyst

Services *(2018 Proposed = $310,151)*

- Animal Services budgeted $31,300 for telephones, pagers, internet and GPS expenses.
- Other major services used by the Agency include non-professional services ($5,000), veterinary professional services ($39,000), advertising ($65,000), audit fees ($10,000), printing and postage ($121,000), and other various smaller services ($38,850).

Departmental Services *(2018 Proposed = $255,586)*

- Animal Services expects to continue purchasing administrative services from the City's Community Services Department for 2018 - 2020. Included in these services is assistance with respect to finance, human resources, strategic support and information technology; these charges increased in 2015 (2014-$83,300; 2015-$170,000; 2016-$173,400; 2017 Budget -$176,800) but remain stable for 2018.
- The Agency's Departmental Services budget includes a payment of $78,786 for General Government Charges for support provided by Corporate Finance and Corporate Services (See Table 5 below for Interdepartmental Support).

TABLE 5: Actual and Projected Departmental Services

	2015 Actual	2016 Actual	2017 Forecasted Year-End Actual	2018 Proposed	2019 Projected	2020 Projected
Strategic Planning	56,666	61,200	62,400	62,400	62,400	62,400
Financial Services	56,667	61,200	62,400	62,400	62,400	62,400
Human Resources	28,333	25,500	26,000	26,000	26,000	26,000
Information Systems	28,333	25,500	26,000	26,000	26,000	26,000
General Government Charges	77,721	78,148	78,429	78,786	79,144	79,144
Total	**$247,721**	**$251,548**	**$255,229**	**$255,586**	**$255,944**	**$255,944**

Materials, Parts & Supplies and Assets & Purchases *(2018 Proposed = $125,000)*

- Operating supplies related to caring for dogs is budgeted at $42,300.
- Other expenses in this category include uniforms and protective clothing ($14,000), computer software ($50,000) and stationery and office supplies ($10,000).
- Assets and purchases include office/other equipment ($3,700) and computer upgrades ($5,000).

Fleet *(2018 Proposed = $129,905)*

- Animal Services Agency replaced its animal control fleet of six vans in 2013. Overall, the fleet cost has increased due to higher capital and operating lease costs associated with the new vehicles.

Debt and Finance Charges *(2018 Proposed = $73,186)*

- Animal Services Agency has a line of credit with an interest rate of prime plus 2.5% ($186).
- Depreciation of $32,000 will be charged in 2018.
- Finance charges include bank service charges ($7,000), provision for bad debts ($6,000) and credit card commissions ($28,000).

Grants, Transfers, and Other (including Accommodations) *(2018 Proposed = $1,081,855)*

- The City of Winnipeg provides annual funding of $652,273 to the Winnipeg Humane Society (WHS) under a service agreement. This funding was increased from $500,000 per annum in 2016. There are two components to the agreement:
    - The operating portion is for the WHS to provide kenneling and care for all stray cats pursuant to the RPO By-law and to manage other activities, mainly caring for injured dogs and cats (2018 - $582,273).
    - The second component is a low-cost cat spay/neuter SNAP program (2018 - $70,000).
- The current agreement is in place until December 31, 2018.
- The Agency also provides grants under the FIXIT program for the spay/neuter of cats (2018 - $176,525).
- The Agency occupies the main floor of the building at 1057 Logan Avenue (12,296 square feet). The facility is owned by the City of Winnipeg; however, Animal Services is charged rent of $215,254 per year.
- Municipal Accommodations leases the lower level of 1057 Logan Avenue to the Community Services Department, Community By-Law Enforcement Services for storage of bicycles, and Winnipeg Repair Education and Cycling Hub (WRENCH).
- Other transfers include payroll tax ($28,500), offset by revenue from a provincial grant, claims ($1,000) and inter-fund transfer for information services ($8,303).

2018 – 2020 Financial Projections and Notes

Projected Statement of Financial Position

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

As At December 31	Audited Actual 2015	Audited Actual 2016	Adopted Budget 2017	Projected 2018	Projected 2019	Projected 2020
FINANCIAL ASSETS						
Cash	18,055	29,461	29,461	29,461	29,461	29,461
Due From the City Of Winnipeg - General Revenue Fund	891,879	1,852,150	1,821,590	1,802,968	1,785,903	1,767,417
Accounts receivable	79,741	90,641	90,641	90,641	90,641	90,641
	989,675	1,972,252	1,941,692	1,923,070	1,906,005	1,887,519
LIABILITIES						
Accounts payable and accrued liabilities	200,519	511,174	511,174	511,174	511,174	511,174
Deferred revenue	848,832	1,205,231	1,205,231	1,205,231	1,205,231	1,205,231
Vacation and overtime payable	86,958	79,551	79,551	79,551	79,551	79,551
Retirement allowance and compensated absences	121,000	115,000	115,000	115,000	115,000	115,000
	1,257,309	1,910,956	1,910,956	1,910,956	1,910,956	1,910,956
NET FINANCIAL LIABILITIES	(267,634)	61,296	30,736	12,114	(4,951)	(23,437)
NON-FINANCIAL ASSETS						
Tangible capital assets (Note 6)	72,073	45,019	45,019	45,019	45,019	45,019
Inventories	7,583	9,684	9,684	9,684	9,684	9,684
Prepaid expenses	88,090	64,435	64,435	64,435	64,435	64,435
	$ 167,746	$ 119,138	$ 119,138	$ 119,138	$ 119,138	$ 119,138
ACCUMULATED (DEFICIT) / SURPLUS	$ (99,888)	$ 180,434	$ 149,874	$ 131,252	$ 114,187	$ 95,701

See accompanying notes and schedules to the financial projections

Projected Statement of Operations and Accumulated (Deficit)/Surplus

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

For the year ended December 31	Audited Actual 2015	Audited Actual 2016	Adopted Budget 2017	Projected 2018	Projected 2019	Projected 2020
REVENUES						
Government grant	29,254	28,449	28,989	27,557	27,557	27,557
Regulation fees	1,846,645	2,273,434	2,317,351	2,351,650	2,400,350	2,449,050
Sales of goods and services	69,770	70,250	98,026	71,297	68,511	59,187
Transfer (Note 5h)	1,404,276	1,378,836	1,319,574	1,295,396	1,319,574	1,319,574
Other revenue	55,297	71,502	35,000	40,000	41,000	42,000
Total Revenues	3,405,242	3,822,471	3,798,940	3,785,900	3,856,992	3,897,368
EXPENSES						
Salaries and employee benefits	1,659,290	1,564,659	1,823,520	1,828,833	1,896,706	1,948,796
Services (Note 6)	407,592	419,439	425,340	402,756	403,060	391,767
Rent (Note 6)	211,564	212,405	212,405	215,254	215,254	215,254
Administrative expenses (Note 6)	247,721	251,548	255,229	255,586	255,944	255,944
Material, parts and supplies	106,974	125,575	138,383	153,598	154,598	155,598
Grants, transfers and other	691,178	892,632	869,277	866,601	866,601	866,601
Amortization	27,054	27,054	16,814	32,000	32,000	32,000
Debt and finance charges	41,295	44,506	39,917	41,000	41,000	41,000
Assets and purchases	2,833	4,331	48,432	8,708	8,708	8,708
Interest (Note 6)	-	-	183	186	186	186
Recoveries	-	-	-	-	-	-
Total Expenses	3,395,501	3,542,149	3,829,500	3,804,522	3,874,057	3,915,854
Excess Revenues Over Expenses	9,741	280,322	(30,560)	(18,622)	(17,065)	(18,486)
ACCUMULATED (DEFICIT) / SURPLUS BEGINNING OF YEAR	(109,629)	(99,888)	180,434	149,874	131,252	114,187
ACCUMULATED (DEFICIT) / SURPLUS END OF YEAR	(99,888)	180,434	149,874	131,252	114,187	95,701

See accompanying notes and schedules to the financial projections

Projected Statement of Cash Flows

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

For the year ended December 31	Audited Actual 2015	Audited Actual 2016	Adopted Budget 2017	Projected 2018	Projected 2019	Projected 2020
Net inflow (outflow) of cash related to the following activities						
OPERATING						
Excess/(Deficiency) of revenue over expenses	9,741	280,322	(30,560)	(18,622)	(17,065)	(18,486)
Non-cash charges to operations						
Amortization	27,054	27,054	16,814	32,000	32,000	32,000
Retirement allowance and compensated absences	14,000	(6,000)	-	-	-	-
	50,795	301,376	(13,746)	13,378	14,935	13,514
Net change in non-cash working capital balances related to operations	196,429	670,301	-	-	-	-
Cash used in operating activities	247,224	971,677	(13,746)	13,378	14,935	13,514
CAPITAL						
Acquisition of tangible capital assets	-	-	(16,814)	(32,000)	(32,000)	(32,000)
FINANCING						
Change in due to The City of Winnipeg - General Revenue Fund	(251,807)	(960,271)	30,560	18,622	17,065	18,486
Increase (Decrease) in Cash	(4,583)	11,406	-	-	-	-
CASH, BEGINNING OF YEAR	22,638	18,055	29,461	29,461	29,461	29,461
CASH, END OF YEAR	18,055	29,461	29,461	29,461	29,461	29,461

See accompanying notes and schedules to the financial projections

PROJECTED STATEMENT OF CHANGE IN NET FINANCIAL LIABILITIES

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

For the year ended December 31	Audited Actual 2015	Audited Actual 2016	Adopted Budget 2017	Projected 2018	Projected 2019	Projected 2020
EXCESS REVENUES OVER EXPENSES	9,741	280,322	(30,560)	(18,622)	(17,065)	(18,486)
Amortization of tangible capital assets	27,054	27,054	16,814	32,000	32,000	32,000
Change in inventories and prepaid expenses	(39,672)	21,554	-	-	-	-
Acquisition of tangible capital assets	-	-	(16,814)	(32,000)	(32,000)	(32,000)
INCREASE IN NET FINANCIAL LIABILITIES	(2,877)	328,930	(30,560)	(18,622)	(17,065)	(18,486)
NET FINANCIAL LIABILITIES, BEGINNING OF YEAR	(264,757)	(267,634)	61,296	30,736	12,114	(4,951)
NET FINANCIAL LIABILITIES, END OF YEAR	(267,634)	61,296	30,736	12,114	(4,951)	(23,437)

See accompanying notes and schedules to the financial projection.

CITY OF WINNIPEG
ANIMAL SERVICES SPECIAL OPERATING AGENCY

NOTES TO THE PROJECTED FINANCIAL STATEMENTS
For the three years ending December 31, 2020

1. DESCRIPTION OF BUSINESS

Animal Services, Special Operating Agency commenced operations on January 1, 2000. Animal Services continues to work towards its goals:

- Maintain the enforcement of the Responsible Pet Ownership Bylaw and continue to educate pet owners regarding their responsibilities, as they pertain to including pet licensing
- Increase customer service and satisfaction
- Improve the health and safety of neighborhoods
- Improve the Agency's public image

Since 2000 Animal Services has brought in the following new programs and initiatives:

- Adoption program to give strays a second chance;
- Volunteer program
- Work placement for students in our community;
- Enhanced Free Release program;
- Enhanced education programs;
- Increased marketing campaigns;
- Revamped fines schedule;
- On-line licensing website launched January 1, 2011;
- Full zero tolerance licensing policy effective October 1, 2016;
- 311 started selling licenses for Animal Services Agency in August 2012 through Winnipeg.ca;
- Replacement of Animal Services Information System (ASIS) software in 2014 with Chameleon to provide enhanced and updated support for all operational areas of Animal Services;
- Cat licensing effective January 1, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The projected financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. The projections include the following significant accounting policies:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period which it is earned provided it is measurable and collection reasonably certain. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the changes in net financial liabilities for the year.

(a) Tangible capital assets

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives using the following annual rates:

Computer equipment	25%
Furniture and other equipment	20%
Communication radios	20%
Computer Software	20%

(b) Inventories

Inventories held for consumption are recorded at the lower of cost and net realizable value.

Employee benefit plan

The Winnipeg Civic Employees' Benefits Program is a multi-employer contributory defined benefit program and accordingly contributions are expenses as incurred. The costs of other retirement benefits have been accounted for based on actuarially determined amounts using the projected benefits method prorated on services and management's best estimate of retirement ages of employees, salary escalation and plan investment performance. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period. The liabilities are discounted using current interest rates on long-term bonds.

Estimates

The preparation of projected financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions are based on the Agency's best information and judgment and may differ from actual results.

3. FINANCIAL PROJECTION

This financial projection is an estimate of the financial position, results of operations and change in cash flow, for the operations of Animal Services Special Operating Agency, using management's assumptions which reflect the Agency's planned course of action for the three years ending December 31, 2020. Management's judgment has been used in the assumptions and the most probable set of economic conditions, together with the hypotheses stated in Note 4. The hypotheses are consistent with the purpose of the information. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this projection. Therefore, the actual results achieved during the projected period will vary from the projections.

4. HYPOTHESES

The financial projection has been prepared based on the following hypotheses:

(a) That the City of Winnipeg will agree to provide an annual operating grant of $1,295,396 in 2018, $1,319,574 in 2019 and 2020.

(b) That the City of Winnipeg will extend a line of credit as detailed in the Financial Statements contained within the Council approved annual Selection Report prepared by the Agency, sufficient for the Agency to carry on operations.

(c) That the Agency will be allowed to purchase any support services required to sustain ongoing operations.

(d) That the Consumer Price Index will remain at 1.2% in 2018, 2.0% for 2019 and 2020.

(e) That the City of Winnipeg will continue their service agreement with the Winnipeg Humane Society, pending approval of the new funding amount. The current service agreement is in place to December 31, 2016. The agency has been granted authority to negotiate renewals until December 31, 2018.

5. ASSUMPTIONS – REVENUE

(a) Fees and Charges

Refer to Appendix C – Fees and Charges Schedule for a complete list of all fees charged by the Agency.

(b) Mill Rate Support from the City of Winnipeg

The Agency has requested mill rate support in the amount of $1,295,396 for 2018, and $1,319,574 for 2019 and 2020; the amount includes $652,273 for the Winnipeg Humane Society (WHS) service agreement and the net remaining is to assist with Animal Services operations.

YEAR	Gross Mill Rate Support	WHS Service Agreement	Net remaining for Animal Services Operations
2000 - 2002	1,250,000	125,000	1,125,000
2003	1,100,000	125,000	975,000
2004	950,000	125,000	825,000
2005	895,877	125,000	770,877
2006	1,020,121	250,000	770,101
2007	1,018,850	250,000	768,850
2008	1,004,276	250,000	754,276
2009	1,104,276	350,000	754,276
2010	1,154,276	350,000	804,276
2011	1,334,276	530,000	804,276
2012	1,302,504	500,000	802,504
2013 - 2015	1,404,276	500,000	904,276
2016	1,378,836	652,273	726,563
2017	1,319,574	652,273	667,301
2018	1,295,396	652,273	643,123
2019 - 2020	1,319,574	652,273	667,301

6. ASSUMPTIONS – EXPENSES

(a) Salaries and Employee Benefits

The Agency expects to operate with the following staff levels over the next three years:

	2018	2019	2020
WAPSO/WAPSO Exempt	3.00	3.00	3.00
CUPE	24.30	24.69	24.69
Total FTEs	27.30	27.69	27.69

(b) Grants

The City of Winnipeg will provide annual funding of $652,273 to the Winnipeg Humane Society based upon the agreed upon service agreement, pending approval of the new funding amount. There are two components to the Winnipeg Humane Society agreement:

- The operating portion ($582,273) is for the Winnipeg Humane Society to provide kennelling space for all cats pursuant to the RPO By-law and to manage other animal issues, namely care for injured animals.
- The second component ($70,000) is a low-cost cat spay and neuter program.

The Agency also provides grant funding to non-profit community organizations, veterinary clinics, animal hospitals, and educational institutions to undertake quality programs to spay/neuter high volumes of cats at a low cost to the community ($176,525).

(c) Audit Fee

The Agency expects to pay approximately $10,000 annually for audit fees.

(d) Advertising

The Agency uses various advertising mediums to help build its revenue base. Methods of advertising include an annual newsletter to licensed pet owners, social media, website, billboards, bus kings, newspaper ads and brochures.

(e) Municipal Accommodations

The Agency occupies the main floor of the building at 1057 Logan Avenue (12,296 square feet).

(f) Depreciation

Depreciation is based on rates identified in Note 2.

(g) Interest on Operating Line of Credit

The Agency has negotiated a line of credit with an interest rate of 0.9%. The 2018 line of credit is $1,100,000.

(h) Administrative Charges

The Agency expects to purchase administrative services from the City's Community Services Department. These services include assistance with respect to finance, human resources, strategic support and information technology. The Agency's share of these costs is $176,800 for 2018; $176,800 for 2019; and $176,800 for 2020.

(i) Corporate Support Services Charges

The City of Winnipeg incurs corporate costs that relate to various shared services such as Legal and PeopleSoft support. The Agency will be charged $78,786 for 2018, $79,144 for 2019 and $79,144 for 2020 by the Corporate Support Services Department.

7. ASSUMPTIONS – CASH RECEIPTS AND DISBURSEMENTS

(a) Cash on hand

$600 is available for the cash register floats.

(b) Inventory

The Agency carries inventory for animal license tags. A physical inventory count is performed on December 31st.

(c) Equipment

On start-up, the Agency acquired equipment from the City of Winnipeg. The Agency constantly reviews its technology needs and upgrades equipment as needed. The Agency has assumed that all dispositions will be made at net book value and there will be no gain or loss resulting from the disposition of assets.

(d) Accounts Payable and Accrued Liabilities

Accounts payable are paid on the basis of 30-day terms and it has been assumed that accounts payable will be nominal at year-end. Accrued liabilities include such items as unpaid contract fees, salary accruals and other year-end payables.

(e) Deferred Revenue

Animal licenses are renewed throughout the year for a one-year term. As a result there is unearned revenue on hand at year-end that is deferred to future years. Also, deferred revenue from previous years is recognized in income throughout the year.