Appendix A

Animal Services Special Operating Agency

2025 Business Plan

Service Overview:

Animal Services continues to provide animal control measures under the City of Winnipeg Charter and Responsible Pet Ownership Bylaw (RPO). 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 remains committed to its goals and strategies, core business operation, and financial stability. These strategies relate to:

- A strengthened commitment to public and animal health and safety through increased public awareness and increased pet ownership education and outreach.
- An enhanced public image.
- Agency sustainability through adequate funding via pet licensing revenues and mill rate support.

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.
    - 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 47,000 dogs and 30,000 cats are now licensed in Winnipeg.
    - An educational newsletter is mailed or emailed 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 accomplished 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 RPO.
- Target Parks and Off-Leash areas with both educational and pet 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.
- 24/7 reunification of licensed pets through the 311 Service Centre.
- Multiple volunteer run social media platforms including Facebook, Instagram, X, and YouTube.
- Innovative two-way communication with Winnipeg Lost Dog Alert to increase reunification of lost pets.
- Next generation Toughbooks used for real-time incident management via 311.
- Support ongoing staff training and development.
- Innovate and green operations including paperless license invoices.

Improve health and safety of neighborhoods.

- Provide active response to community incidents involving animals and people.
- Respond to dog attacks against people and 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. Animal Services has distributed more than 2,000 "211 Manitoba" brochures.
- 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 the spay/neuter of pets owned by residents living on low income.
- Develop "green" strategies to improve facility and fleet operations to reduce environmental impact and save taxpayers money.

Enhance the Agency's public image.

- Provide opportunities for public engagement including volunteerism 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 pet adoption.
- Provide a progressive adoption program of unclaimed pets, including promotion on Winnipeg.ca and through social media.
    - Work to reduce euthanizations as much as possible.
- Provide a Doggie Date program where residents can take adoptable dogs out in the community which improves resident health and wellness while giving homeless dogs a break from the animal shelter.
- Continue 24/7 emergency response to Winnipeg Fire Paramedic Service and Police incidents involving animals.
- Provide caring and compassionate help for both animals and people in the community.
- Actively respond and listen to resident complaints or suggestions regarding the Agency.

Financial Information:

Pro forma financial statements with 2025 through to 2028 Projections are attached. These include a Projected Statement of Financial Position, Projected Statement of Operations and Accumulated Surplus, Projected Statement of Cash Flows and a Projected Statement of Net Financial Liabilities.

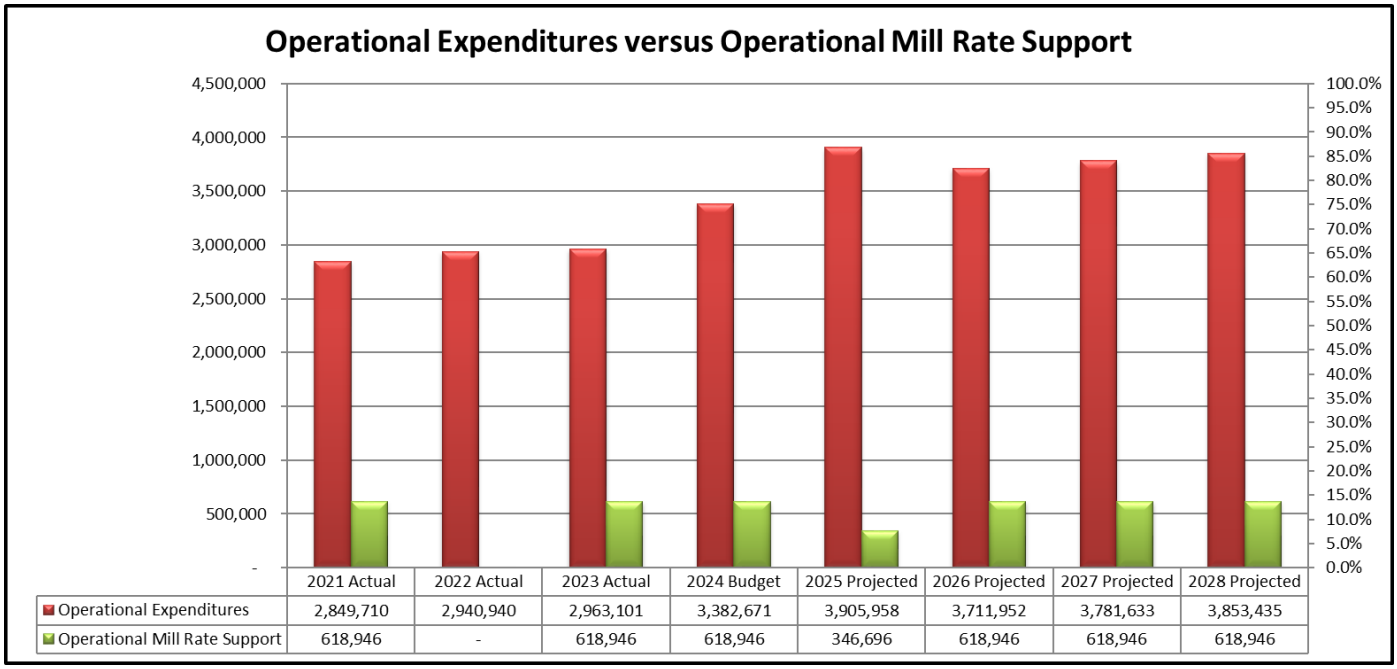
2023 Audited Financial Statements are attached for reference (Appendix B).

Tax-supported funding for the Agency is reflected as a Mill Rate Support Transfer to Animal Services in the Community Services Department budget and includes two components: (1) funding to in-part support the Service Agreement between the City of Winnipeg and the Winnipeg Humane Society, and (2) funding in-part to support The Animal Services Agency operating expenses.

The current agreement with the WHS is expiring December 31, 2024. The 2025 preliminary budget includes funding of $752,273 for general animal services and the provision of a subsidized spay and neuter program. A new agreement is currently being negotiated with the WHS to take effect in 2025. Once negotiations are complete budget adjustments will be required to reflect the final financial requirements of the new agreement.

The total 2025 preliminary expenditure budget for the Agency is $4,658,231. After deducting the estimated value included in the preliminary budget of a new service agreement with the WHS of $752,273, the net remaining expenditure budget is $3,905,958. Further accounting for the operational mill rate tax support transfer of $346,696 that directly supports the Agency's operations, net expenditures of $3,559,262 remains needing to be funded. The net expenditure budget of $3,559,262 is offset (financed) by pet license fees and other service revenues in order for the Animal Services Agency to be financially viable to operate.

Table 1 outlines the Agency's growing reliance on license and other service revenues to cover annual operating expenses.



	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Operational Expenditures	2,849,710	2,940,940	2,963,101	3,382,671	3,905,958	3,711,952	3,781,633	3,853,435
Operational Mill Rate Support	618,946	-	618,946	618,946	346,696	618,946	618,946	618,946

REVENUE:

Mill Rate Support Revenue

Tax-supported funding for the Agency includes two components: (1) funding to in-part support the Service Agreement between the City of Winnipeg and the Winnipeg Humane Society, and (2) funding in-part to directly support The Animal Services Agency operating expenses.

The current agreement with the WHS is expiring December 31, 2024. The 2025 preliminary budget includes funding of $752,273 for general animal services and the provision of a subsidized spay and neuter program. A new agreement is currently being negotiated with the WHS to take effect in 2025. Once negotiations are complete budget adjustments will be required to reflect the final financial requirements of the new agreement.

The total 2025 tax-support transfer of $1,098,969 is to support two components: (1) the grant to the Winnipeg Humane Society $752,273 and (2) the balance to support Animal Services operating expenses $346,696.

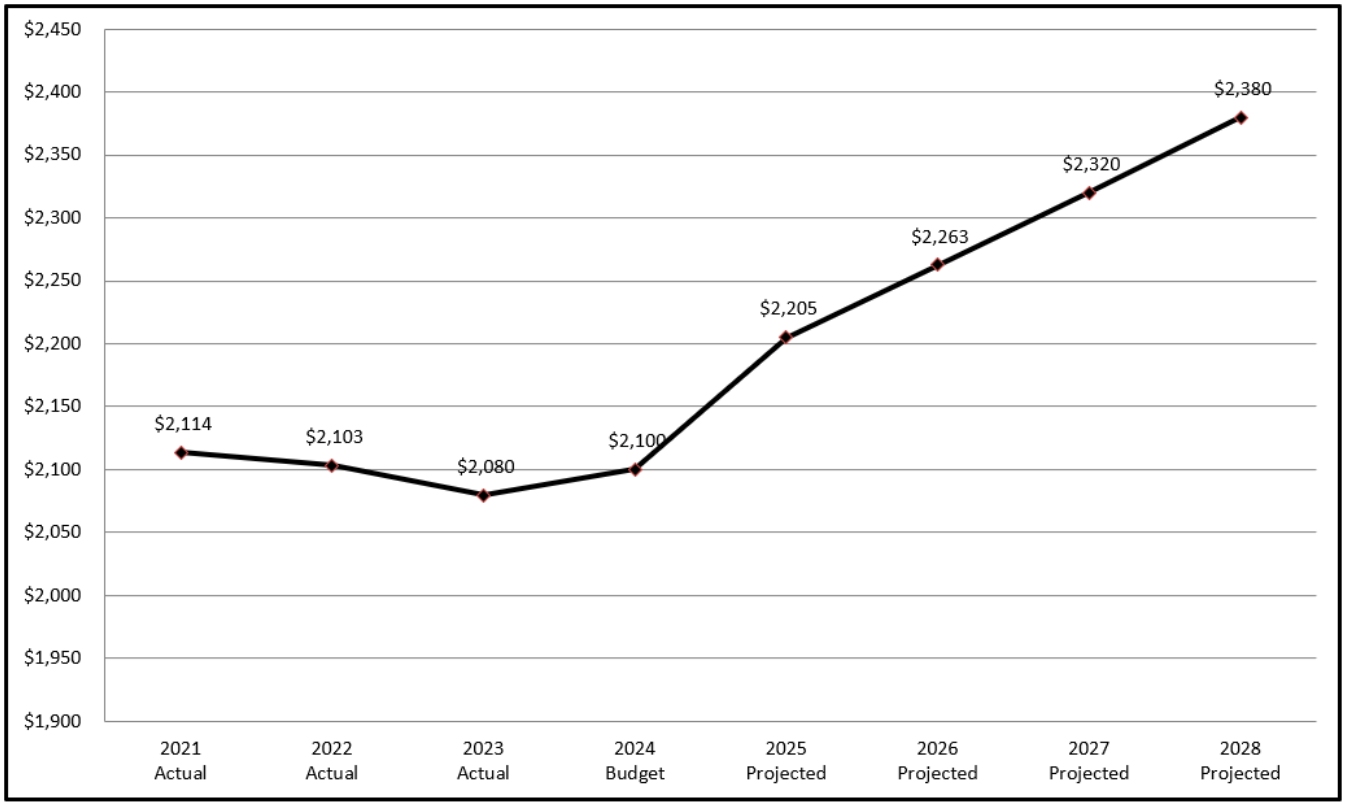
Operating Revenue (Non-Mill Rate Sources)

The Agency receives revenue from a number of sources including, pet licenses, adoption/kennel fees, and donations.

Dog Licensing

Table 2 outlines dog license revenues, recognized and recorded on an accrual basis for 2021 - 2023 with projected revenues for 2024 to 2028. Future year revenue estimates are based on 47,000 licenses being sold of which the majority are expected to be for sterilized dogs.

TABLE 2: Dog License Projected Revenue
($000)



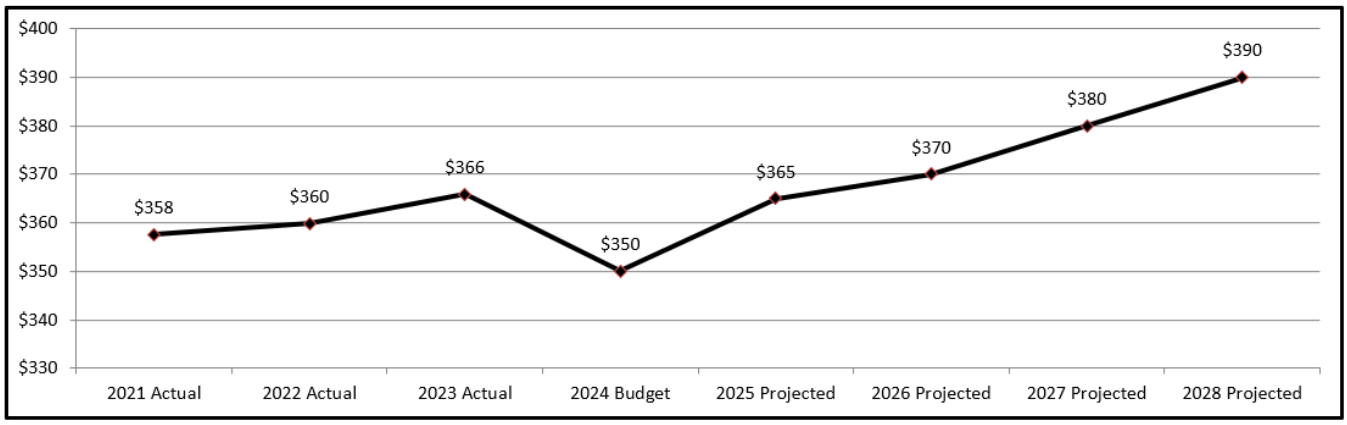
Since license purchases and renewals occur throughout the year, there is unearned revenue on hand at year-end that is deferred to future years. Deferred revenue from previous years is recognized in income at the end of the year.

Cat Licensing

The proposed 2025 annual cat license fees are $15.75 for sterilized cats and $67.00 for intact cats.

Table 3 outlines cat license revenues recognized and recorded on an accrual basis for 2021 - 2023 with projected revenues for 2024 to 2028. Future year's revenues are based on 30,000 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 2022 through 2028.

TABLE 4: Actual and Projected Expenses

Expense Type	2022 Actual (Audited)	2023 Actual (Audited)	2024 Budget	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Salaries & Benefits	1,844,977	1,938,680	2,231,868	2,286,193	2,358,651	2,420,044	2,489,661
Grants	913,314	800,104	962,273	898,273	898,273	898,273	898,273
Operating Expenses	446,383	527,696	508,504	645,170	652,610	660,754	661,777
Administrative Expenses	227,090	227,456	227,824	228,193	228,564	228,937	230,437
Rent	205,167	195,327	199,731	199,731	199,731	199,731	199,731
Fleet	76,267	74,943	74,744	400,671	126,396	126,167	125,829
Total Expenses	**3,713,197**	**3,764,206**	**4,204,944**	**4,658,231**	**4,464,225**	**4,533,906**	**4,605,708**

Salaries and Benefits *(2025 Proposed = $2,286,193)*

- 2025 proposed salary levels are based on existing grades and levels as per the collective agreements. Staffing levels remain constant over 2024.
- The total staff complement will consist of 27.17 FTE (27.50 FTE net of vacancy management of .33 FTE).
    - The Out of Scope positions include:
        - One General Manager of Animal Services
    - The WAPSO positions include:
        - One Field Operations/Court Coordinator
        - One Operations Coordinator
        - One Financial Analyst
    - The CUPE positions include:
        - One Community Relations Coordinator
        - Five clerical staff (one Clerk C, one Clerk B, and three Clerk A positions)
        - Two Animal Services Officer II positions
        - Ten Animal Services Officer I positions
        - One part-time Animal Services Officer I position (total 0.5 FTE)
        - Two Registered Vet Technicians
        - Three Kennel Attendants

Grants *(2025 Proposed = $898,273)*

- The current agreement with the WHS is expiring December 31, 2024. The 2025 preliminary budget includes estimated funding of $752,273 for general animal services and the provision of a subsidized spay and neuter program. A new agreement is currently being negotiated with the WHS to take effect in 2025. Once negotiations are complete budget adjustments will be required to reflect the final financial requirements of the new agreement.
- The Agency also provides a grant under the FIXIT program for the spay/neuter of cats (2025 - $146,000). The Agency is recommending Council rescind recommendation 2A of the Responsible Pet Ownership Review report (Council July 17, 2013). The Agency's intends to direct these same funds to the WHS as part of the next spay and neuter agreement effective 2025. There will no longer be a need for a separate stand-alone grant.

Operating Expenses *(2025 Proposed = $645,170)*

- Major operating expenditures used by the Agency include veterinary professional services ($206,000), animal food and medical supplies ($98,500), printing and postage ($57,000), advertising ($35,000).
- Innovation and Technology related expenses ($47,973).
- Finally, other various smaller service expenditures such as uniforms and protective clothing, telephones, training, office supplies, professional audit fees, credit card commissions, bank services charges, and payroll taxes ($200,197).

Administrative Expenses *(2025 Proposed = $228,193)*

- Animal Services purchases administrative services from the City's Community Services and Innovation & Technology Departments. Included in these services is assistance with respect to financial services, human resources, and innovation & technology.
- Animal Services budget also includes a payment of $81,333 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

	2022 Actual (Audited)	2023 Actual (Audited)	2024 Proposed Budget	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Financial Services	62,420	62,420	62,420	62,420	62,420	62,420	62,420
Human Resources	58,430	58,430	58,430	58,430	58,430	58,430	58,430
Innovation and Technology	26,010	26,010	26,010	26,010	26,010	26,010	26,010
General Government Charges	80,230	80,596	80,964	81,333	81,704	82,077	83,577
Total	**$227,090**	**$227,456**	**$227,824**	**$228,193**	**$228,564**	**$228,937**	**$230,437**

Rent *(2025 Proposed = $199,731)*

- The Agency facility at 1057 Logan Avenue is owned by the City of Winnipeg; however, Animal Services is charged rent of $199,731 per year (2025).
- 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).

Fleet *(2025 Proposed = $400,671)*

- The current fleet of vehicles was purchased in 2013. The Agency is planning to replace its fleet of six vans through a phased approach beginning with three in 2025, and the remaining three in 2026.
- The three vans being replaced in 2025 at a cost of $272,250 will be funded directly from the Agency's accumulated surplus avoiding long-term capital lease and financing costs.

2025 Financial Projections and Notes

Projected Statement of Financial Position

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

As At December 31	Audited Actual 2022	Audited Actual 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
FINANCIAL ASSETS							
Cash	40,032	37,104	37,104	37,104	37,104	37,104	37,104
Due From the City Of Winnipeg - General Revenue Fund	3,069,576	3,473,891	3,330,166	2,713,654	2,629,398	2,545,961	2,463,722
Accounts receivable	-	-	-	-	-	-	-
	3,109,608	3,510,995	3,367,270	2,750,758	2,666,502	2,583,065	2,500,826
LIABILITIES							
Accounts payable and accrued liabilities	178,689	34,076	34,076	34,076	34,076	34,076	34,076
Deferred revenue	1,630,709	1,674,835	1,674,835	1,674,835	1,674,835	1,674,835	1,674,835
Vacation and overtime payable	106,984	91,824	91,824	91,824	91,824	91,824	91,824
Retirement allowance and compensated absences	171,000	172,000	172,000	172,000	172,000	172,000	172,000
	2,087,382	1,972,735	1,972,735	1,972,735	1,972,735	1,972,735	1,972,735
NET FINANCIAL LIABILITIES	1,022,226	1,538,260	1,394,535	778,023	693,767	610,330	528,091
NON-FINANCIAL ASSETS							
Prepaid expenses	3	-	-	-	-	-	-
ACCUMULATED (DEFICIT) / SURPLUS	$ 1,022,230	$ 1,538,260	$ 1,394,535	$ 778,023	$ 693,767	$ 610,330	$ 528,091

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 2022	Audited Actual 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
REVENUES							
Regulation fees	2,519,330	2,618,153	2,587,500	2,711,000	2,775,500	2,845,000	2,917,000
Transfer (Note 5h)	371,219	1,271,219	1,271,219	1,098,969	1,371,219	1,371,219	1,371,219
Sales of goods and services	76,947	115,735	87,500	91,750	93,250	94,250	95,250
Interest & Debt Charges	65,077	174,120	20,000	35,000	35,000	35,000	35,000
Government grant	28,432	28,156	30,000	30,000	30,000	30,000	30,000
Other revenue	208,237	72,853	65,000	75,000	75,000	75,000	75,000
Total Revenues	**3,269,242**	**4,280,237**	**4,061,219**	**4,041,719**	**4,379,969**	**4,450,469**	**4,523,469**
EXPENSES							
Salaries and employee benefits	1,844,977	1,938,680	2,231,868	2,286,193	2,358,651	2,420,044	2,489,661
Grants, transfers and other	959,243	845,581	1,040,077	1,248,496	976,419	976,642	976,870
Services (Note 6)	283,562	317,196	308,310	480,894	480,047	488,802	489,195
Administrative expenses (Note 6)	227,090	227,456	227,824	228,193	228,564	228,937	230,437
Rent (Note 6)	205,167	195,327	199,731	199,731	199,731	199,731	199,731
Material, parts and supplies	156,872	188,395	135,134	150,727	150,849	149,865	149,424
Debt and finance charges	41,175	48,632	50,000	51,997	51,964	51,885	52,390
Assets and purchases	(4,889)	2,939	6,000	6,000	6,000	6,000	6,000
Amortization	-	-	6,000	6,000	12,000	12,000	12,000
Total Expenses	**3,713,197**	**3,764,206**	**4,204,944**	**4,658,231**	**4,464,225**	**4,533,906**	**4,605,708**
Annual (Deficit)/Surplus	(443,955)	516,031	(143,725)	(616,512)	(84,256)	(83,437)	(82,239)
ACCUMULATED (DEFICIT) / SURPLUS BEGINNING OF YEAR	1,466,185	1,022,229	1,538,260	1,394,535	778,023	693,767	610,330
ACCUMULATED (DEFICIT) / SURPLUS END OF YEAR	1,022,230	1,538,260	1,394,535	778,023	693,767	610,330	528,091

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 2022	Audited Actual 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Net inflow (outflow) of cash related to the following activities							
OPERATING							
Excess/(Deficiency) of revenue over expenses	(443,955)	516,031	(143,725)	(616,512)	(84,256)	(83,437)	(82,239)
Non-cash charges to operations							
Amortization	-	-	6,000	6,000	12,000	12,000	12,000
Retirement allowance and compensated absences	2,000	1,000	-	-	-	-	-
	(441,955)	517,031	(137,725)	(610,512)	(72,256)	(71,437)	(70,239)
Net change in non-cash working capital balances related to operations	(91,392)	(115,644)	-	-	-	-	-
Cash used in operating activities	(533,347)	401,387	(137,725)	(610,512)	(72,256)	(71,437)	(70,239)
CAPITAL							
Acquisition of tangible capital assets	-	-	(6,000)	(6,000)	(12,000)	(12,000)	(12,000)
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	522,931	(404,315)	143,725	616,512	84,256	83,437	82,239
Increase (Decrease) in Cash	(10,416)	(2,928)	-	-	-	-	-
CASH, BEGINNING OF YEAR	50,449	40,032	37,104	37,104	37,104	37,104	37,104
CASH, END OF YEAR	40,033	37,104	37,104	37,104	37,104	37,104	37,104

See accompanying notes and schedules to the financial projections

Projected Statement Of Change In Net Financial Assets

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

For the year ended December 31	Audited Actual 2022	Audited Actual 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
ANNUAL (DEFICIT)/SURPLUS	(443,955)	516,031	(143,725)	(616,512)	(84,256)	(83,437)	(82,239)
Amortization of tangible capital assets	-	-	6,000	6,000	12,000	12,000	12,000
Acquisition of tangible capital assets	-	-	(6,000)	(6,000)	(12,000)	(12,000)	(12,000)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(443,955)	516,031	(143,725)	(616,512)	(84,256)	(83,437)	(82,239)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,466,185	1,022,229	1,538,260	1,394,535	778,023	693,767	610,330
NET FINANCIAL ASSETS, END OF YEAR	1,022,230	1,538,260	1,394,535	778,023	693,767	610,330	528,091

See accompanying notes and schedules to the financial projections

CITY OF WINNIPEG
ANIMAL SERVICES SPECIAL OPERATING AGENCY

NOTES TO THE PROJECTED FINANCIAL STATEMENTS
For the year ending December 31, 2025

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:

- Doggie Dates;
- Low income spay/neuter programs;
- Progressive legislative amendments to the Responsible Pet Ownership By-Law;
- Social media pages;
- Monthly media appearances;
- Adoption program to give strays a second chance;
- Volunteer program;
- Work placement for students;
- Enhanced Free Release program;
- Enhanced education programs;
- Increased marketing campaigns;
- On-line pet licensing;
- Zero tolerance pet licensing;
- 311 selling licenses through Winnipeg.ca;
- Chameleon software to provide enhanced and updated support for all operational areas of Animal Services;
- Cat licensing;
- Green facility, fleet, and operational initiatives including paperless licensing invoicing.

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%

Employee benefit plan

The Winnipeg Civic Employees' Benefits Program is a multi-employer contributory defined benefit program and accordingly contributions are expensed 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.

Change in accounting policy

i) Financial instruments

On January 1, 2023, the Agency has prospectively adopted PS 3450 Financial Instruments , which requires the simultaneous adoption of PS 1201 Financial Statement Presentation , PS 2601 Foreign Currency Translation , and PS 3041 Portfolio Investments . These new standards provide comprehensive requirements for the recognition, measurement, presentation, and disclosure of financial instruments and foreign currency transactions. Under PS 3450, all financial instruments, including derivatives, are included on the Statement of Financial Position and are measured either at fair value, cost or amortized cost based on the characteristics of the instrument and the Agency's accounting policy choices (See Note Financial Instruments).

As part of PS 2601 Foreign Currency Translation, the Agency has elected to recognize any related unrealized foreign exchange gain or loss directly to the Statement of Operations and Accumulated Surplus.

Recognition, derecognition and measurement policies of prior periods to the effective date have not been reversed and therefore, prior periods and comparative information have not been restated.

Financial instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equities of another. The Agency's financial instruments are measured at cost or amortized

cost. Transaction costs are added to the carrying amount of the asset or liability upon recognition. Transaction costs are defined as incremental costs directly attributable to the acquisition or issue of a financial asset or liability.

At each financial statement date the Agency will assess their financial instruments to determine if they are impaired. Any impairment losses would be reported in the Statement of Operations and Accumulated Surplus. As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses and the Statement of Remeasurement Gains (Losses) has been excluded.

Financial risk management

The Agency has exposure to liquidity risk. Liquidity risk is the risk the Agency will encounter difficulty in meeting obligations associated with financial liabilities. This risk is low for the Agency as it is able to access funding from the City of Winnipeg as required.

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 year ending December 31, 2025. 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 $1,098,969 in 2025.

(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 be at 5.0% for 2025.

5. ASSUMPTIONS – REVENUE

(a) Fees and Charges

Refer to Appendix D – 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 is directed to request mill rate support in the amount of $1,098,969 in 2025; the amount includes $752,273 in support of the Winnipeg Humane Society (WHS) service agreement, and the net remaining is to assist with Animal Services operations $346,696.

YEAR	Gross Mill Rate Support	Humane Society Service Contract	Operational Mill Rate Support to Animal Services
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	770,121
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	771,219	652,273	118,946
2021	1,271,219	652,273	618,946
2022	371,219	652,273	-
2023	1,271,219	652,273	618,946
2024	1,271,219	652,273	618,946
2025	1,098,969	752,273	346,696

* The WHS Agreement is included in the preliminary budget at $752,273. Negotiations are ongoing with the WHS to finalize a new agreement effective 2025.

ASSUMPTIONS – EXPENSES

(a) Salaries and Employee Benefits

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

	2025	2026	2027	2028
Out of Scope	1.00	1.00	1.00	1.00
WAPSO	3.00	3.00	3.00	3.00
CUPE	23.50	23.50	23.50	23.50
Total FTEs	**27.50**	**27.50**	**27.50**	**27.50**
Less Vacancy Management	(0.33)	(0.33)	(0.33)	(0.33)
Total FTEs Less Vacancy Management	**27.17**	**27.17**	**27.17**	**27.17**

(b) Grants

The current agreement with the WHS is expiring December 31, 2024. The 2025 preliminary budget includes funding of $752,273 for general animal services and the provision of a subsidized spay and neuter program. A new agreement is currently being negotiated with the WHS to take effect in 2025. Once negotiations are complete budget adjustments will be

required to reflect the final financial requirements of the new agreement.

The Agency also provides FIXIT grant funding to undertake quality programs to spay/neuter high volumes of cats at a low cost to the community ($146,000). This grant is currently funded by 40% of cat license revenue. The Agency is recommending Council rescind recommendation 2A of the Responsible Pet Ownership Review report (Council July 17, 2013). It is the Agency's intention to include the funds for the current FIXIT program to the WHS through the next service agreement to continue support to low income spay and neuter of cats by WHS.

(c) Audit Fee

The Agency expects to pay approximately $7,500 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) Administrative Charges

The Agency expects to purchase administrative services from the City's Community Services Department. These services include assistance with respect to financial services, human resources, and innovation technology. The Agency's fees for such services is $146,860 in 2025.

(h) 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 $81,333 for 2025 by the Corporate Support Services Department.

6. ASSUMPTIONS – CASH RECEIPTS AND DISBURSEMENTS

(a) Cash on hand

$600 is available for the cash register floats.

(b) 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.

(c) 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.

(d) Deferred Revenue

Animal licenses are renewed throughout the year for a one-year or a two-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 at the end of the year.