Appendix A

Animal Services Special Operating Agency

2026 Business Plan

Service Overview:

Animal Services provides animal control measures under the City of Winnipeg Charter and Responsible Pet Ownership By-law (RPO). The Agency delivers services in four core areas:

Sub-Service	Description
Licensing	○ Pet licensing ○ Excess animal permits ○ Breeding permits
Adoption/Education	○ Adoption of unclaimed dogs ○ Public education on responsible pet ownership
Kenneling	○ Care and housing for stray animals picked up by officers and the public ○ Quarantine kenneling for biting dogs
By-Law Enforcement	○ Enforcement of the RPO By-law ○ Dispute resolution ○ Investigation and response ○ 24-hour emergency assistance to WPS, WFPS, Sheriffs, and Child and Family services ○ Investigation of illegal animal complaints

The Agency collaborates with the veterinary community, the Winnipeg Humane Society (WHS), and a broad range of stakeholders to promote safe, healthy, and sustainable coexistence between people and animals in Winnipeg.

Strategic Direction:

Animal Services remains committed to public and animal health and safety, community education, and strong operational sustainability. Key priorities include:

- Expanding awareness and education programs that promote responsible pet ownership.
- Strengthening community trust and engagement.
- Ensuring agency sustainability through effective licensing revenues and mill rate support.

Future Capital Funding Needs

Over the next 12 months, the Agency will undertake a comprehensive review of its capital funding needs to ensure the facility at 1057 Logan Avenue meets current industry standards for animal care and workplace safety. This review will identify priority projects required to sustain operations, enhance animal welfare, and improve working conditions for staff.

The facility was originally designed as a short-term holding facility for stray animals but now functions as a long-term housing and adoptions facility, accommodating significantly more animals and services than it was built to support. This has placed increasing operational demands on staff, particularly animal care employees, and has created significant recruitment and retention challenges due to the physical and emotional strain associated with working in an aging and capacity-limited environment.

Potential projects include modernized sanitation and drainage systems to improve disease prevention, facility upgrades to improve health and safety for staff and animals, and ventilation and noise-reduction measures to support occupational health.

The Agency must maintain compliance with animal welfare standards and ensure the long-term sustainability of operations as service demands, and intake volumes continue to rise.

Goals and Strategies:

Strengthen Licensing

Animal Services is balancing a zero-tolerance licensing model with a community-focused, incentive-based approach, coupled with educational messaging. Officers now provide pet owners with the opportunity to purchase a license in the field during patrols and service calls, reducing barriers to compliance and increasing licensing revenue.

A licensing campaign is being planned to start in 2026 and will increase licensing numbers annually to better support the Agency's work.

To support this campaign, several programs are in development:

- A rewards program for licensed pet owners, in partnership with local suppliers, veterinarians, and businesses.
- A more streamlined, user-friendly, end-to-end online licensing platform.
- A customizable tag program.
- An application for licensed pet owners, which allows pet owners to report their pet as missing, and for finders to connect the pet back with its owner.
- Pop-up licensing events throughout the city.

In addition, the Agency will continue to:

- Maintain strong communication with licensed pet owners through an annual newsletter, highlighting the value of licensing, celebrating successes, and sharing how licensing dollars support community safety and animal welfare.
- Use advertising and media partnerships to promote licensing, reinforce its importance, and share positive community stories.
- Ensure Animal Services Officers remain visible and accessible in the community to both educate and assist residents with licensing.
- Target parks and off-leash areas to ensure compliance and provide educational outreach.

Community Education and Programming

New programming will support responsible pet ownership, including training opportunities, and access to resources that help pets remain safe in their homes. This reduces shelter intake and ensures more sustainable use of agency resources.

Animal Services also provides:

- Presentations to newcomer groups on safely interacting with pets.
- Materials that link residents to social resources.
- Outreach at more than 30 community events annually.
- Volunteer programs, including opportunities for at-risk youth and student placements.

The Community Relations Coordinator leads the social media strategy, public engagement, and educational campaigns, ensuring the Agency maintains a strong presence both online and in the

community. Multiple social media platforms complement the Agency's website, and innovative partnerships (e.g. Winnipeg Lost Dog Alert) support lost pet reunification.

The Agency is working to increase in-house veterinary capabilities to increase community access, improve animal welfare outcomes and reduce overpopulation pressures that contribute to capacity and resource strain.

Service Delivery and Customer Service

Animal Services operates seven days a week to maximize accessibility for residents:

- 24/7 reunification of lost pets through the 311 Service Centre.
- Active response to animal-related incidents, including dog attacks and community safety concerns.
- Emergency assistance to the Winnipeg Police Service, Winnipeg Fire Paramedic Service, Sheriffs, Child and Family Services Organizations.
- Progressive adoption program with strong online and social media presence, prioritizing low euthanasia rates.
- Doggie Date and Business Buddies programs to provide enrichment for adoptable dogs while enhancing resident well-being.

Animal Care

The Agency is working to increase in-house veterinary capabilities to increase community access, improve animal welfare outcomes and reduce overpopulation pressures that contribute to capacity and resource strain. The Agency continues to:

- Encourage spay/neuter through education and funding assistance for low-income residents.
- Invest in staff training and development to better support animal care standards, both in facility and in the field.
- Pursue facility upgrades and protocol updates to meet best practices in animal care, addressing capacity challenges.
- Collaborate with rescue partners, the Winnipeg Humane Society, the veterinary community and partners in neighbouring jurisdictions to improve animal welfare outcomes.

Financial Information:

Pro forma financial statements with 2026 through to 2029 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.

2024 Audited Financial Statements are attached for reference (Appendix B).

Tax-supported funding for the Agency in 2026 is reflected as a Mill Rate Support Transfer to Animal Services in the Community Services Department budget and includes funding to partially support value of the Service Agreement between the City of Winnipeg and the Winnipeg Humane Society (the WHS).

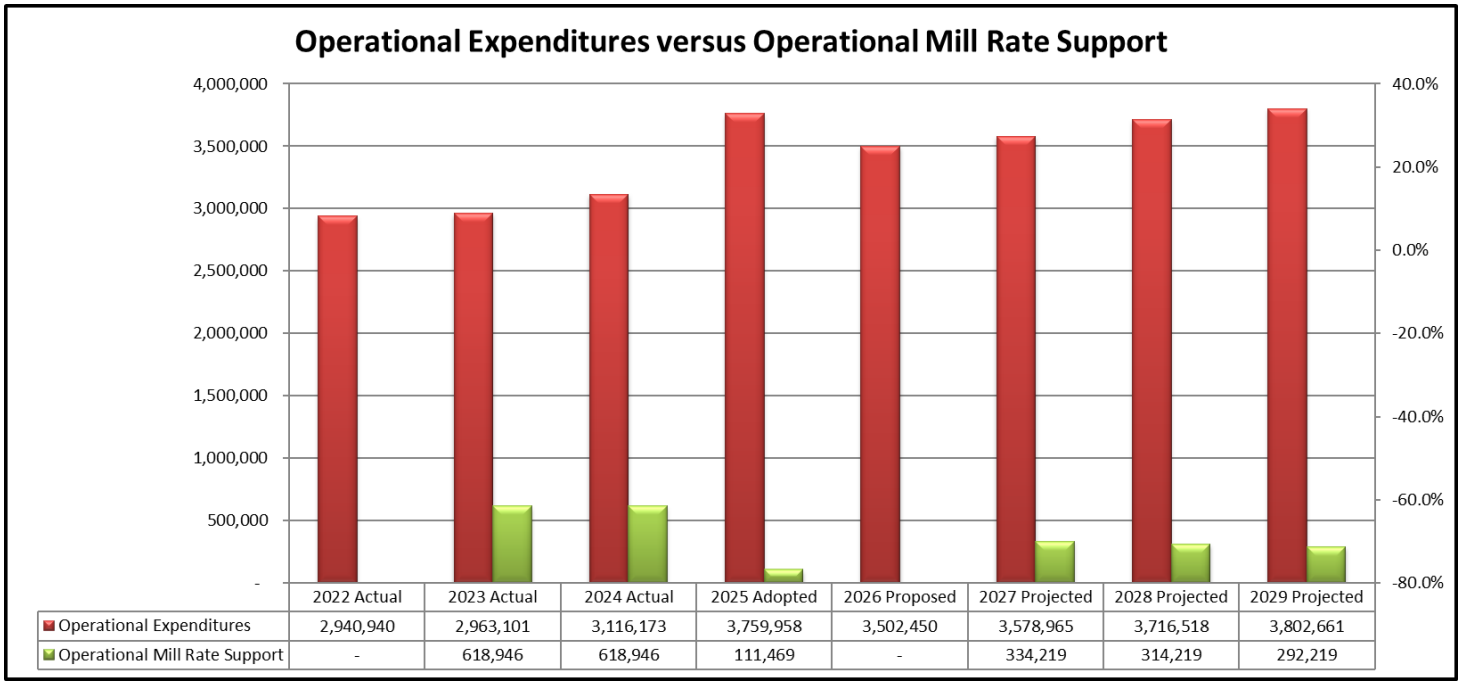
The current agreement with the WHS, which expires December 31, 2027, provides funding by way of a service purchase agreement in the amount of $1,012,000 in 2026 for two components: (1) the provision

of general services to the City at $602,000, plus (2) the provision of a subsidized spay and neuter program up to a maximum of $410,000.

The total 2026 expenditure budget for the Agency is $4,514,450. After deducting the value included for the WHS service agreement of $1,012,000, the net remaining expenditure budget is $3,502,450. The net expenditure budget is offset (financed) by pet license fees and other service revenues for the Animal Services Agency to be financially viable to operate.

As shown in Table 1, the Agency continues to depend primarily on revenues from pet licensing and related services to cover annual operating costs, with mill rate support funding primarily dedicated to the Winnipeg Humane Society service agreement.

TABLE 1: Operational Expenditures vs Mill Rate Support



	2022 Actual	2023 Actual	2024 Actual	2025 Adopted	2026 Proposed	2027 Projected	2028 Projected	2029 Projected
Operational Expenditures	2,940,940	2,963,101	3,116,173	3,759,958	3,502,450	3,578,965	3,716,518	3,802,661
Operational Mill Rate Support	-	618,946	618,946	111,469	-	334,219	314,219	292,219

REVENUE:

Mill Rate Support Revenue

The total 2026 tax-supported transfer of $871,219 for the Agency is fully dedicated to partially supporting the service agreement between the City of Winnipeg (the City) and the Winnipeg Humane Society (the WHS). The total value of the service agreement with the WHS is $1,012,000.

Operating Revenue (Non-Mill Rate Sources)

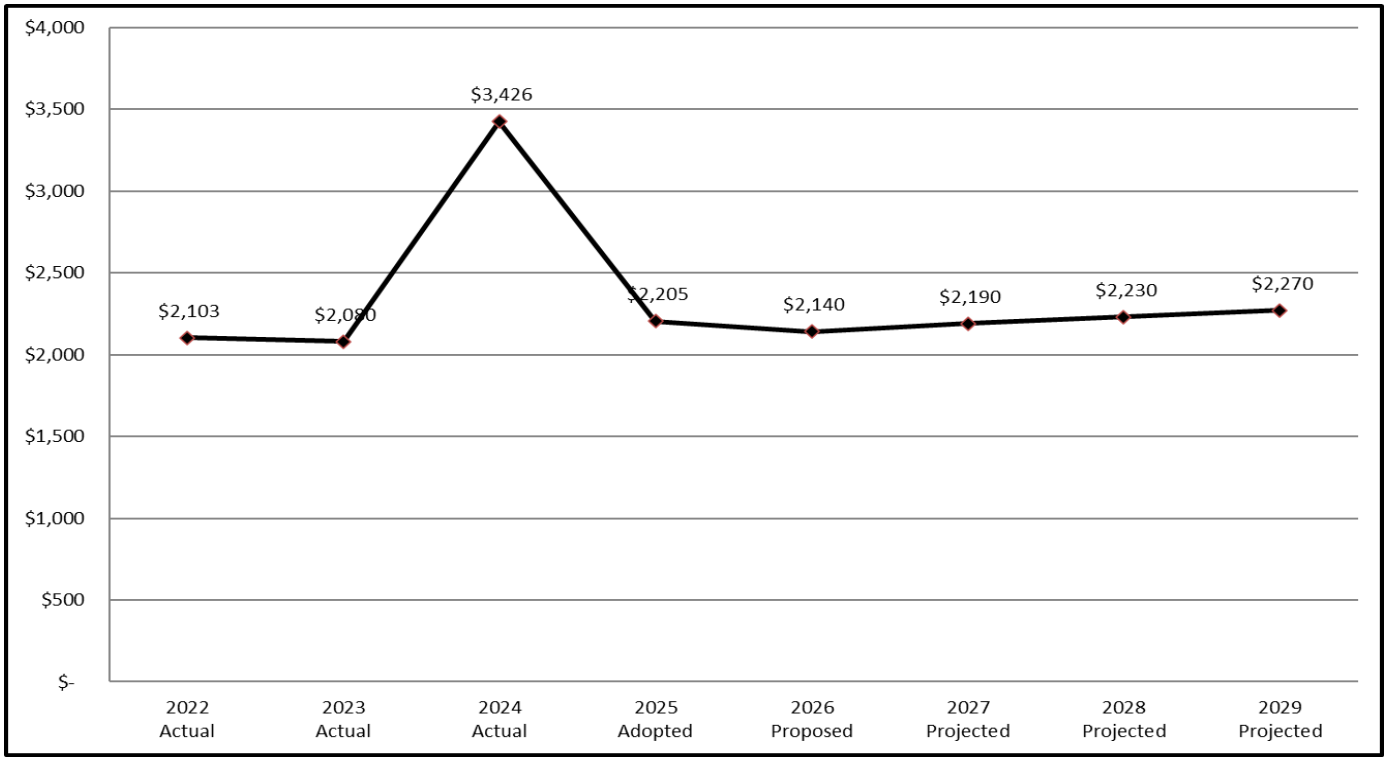
The Agency receives revenue from several sources including pet licenses, adoption/kennel fees, enforcement fees, and donations.

Dog Licensing

The proposed 2026 annual dog license fees are $41.50 for sterilized dogs and $138.00 for intact dogs.

Table 2 outlines dog license revenues, recognized and recorded on an accrual basis for 2022 - 2024 with projected revenues for 2025 to 2029. Future year revenue estimates to remain consistent based on 48,000 licenses being sold of which the majority are expected to be for sterilized dogs.

TABLE 2: Dog License Projected Revenue
($000)



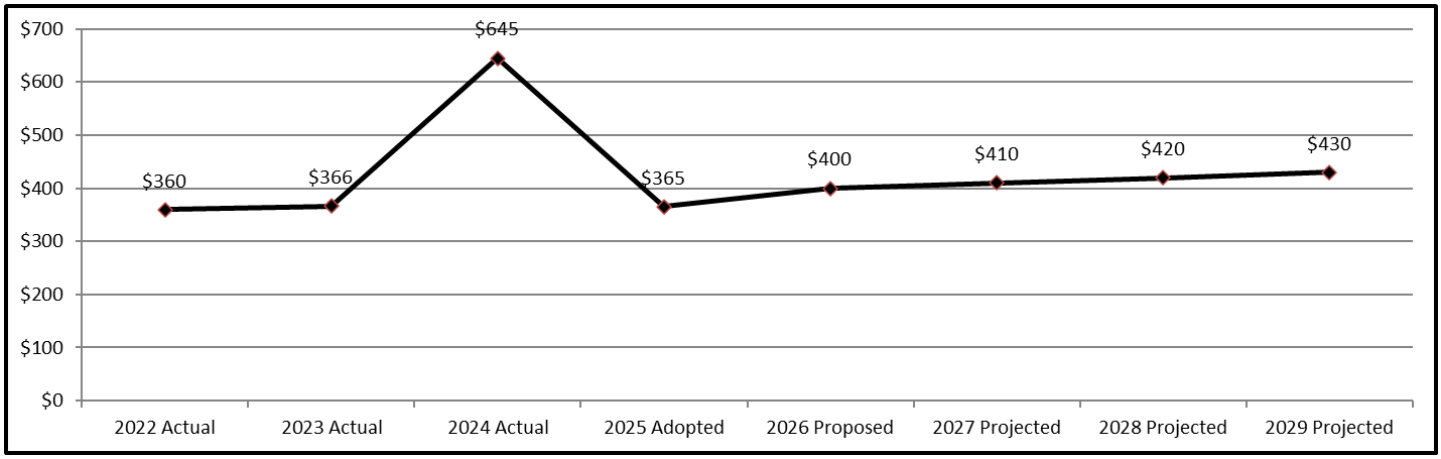
On January 1, 2024, The Agency adopted accounting standard PS 3400 Revenue. This standard defines how to account for and report revenue from exchange and non-exchange transactions. As a result, of adopting this standard, The Agency has included prior years deferred dog license revenue of $1,410,536 in the 2024 financial results. Without this one-time adjustment, 2024 revenue would have been $2,015,032.

Cat Licensing

The proposed 2026 annual cat license fees are $15.75 for sterilized cats and $69.00 for intact cats.

Table 3 outlines cat license revenues recognized and recorded on an accrual basis for 2022 - 2024 with projected revenues for 2025 to 2029. 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)



On January 1, 2024, The Agency adopted accounting standard PS 3400 Revenue. This standard defines how to account for and report revenue from exchange and non-exchange transactions. As a result, of adopting this standard, The Agency has included prior years deferred cat license revenue of $264,299 in the 2024 financial results. Without this one-time adjustment, 2024 revenue would have been $380,737.

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 2023 through 2029.

TABLE 4: Actual and Projected Expenses

Expense Type	2023 Actual (Audited)	2024 Actual (Audited)	2025 Budget	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Salaries & Benefits	1,938,680	2,064,981	2,286,193	2,383,423	2,449,598	2,544,085	2,619,222
Service Purchase Agreer	800,104	962,312	987,500	1,012,000	1,037,000	1,057,000	1,079,000
Operating Expenses	527,696	581,665	925,920	630,066	635,289	640,517	645,517
Administrative Expenses	227,456	227,824	228,193	228,564	228,937	230,437	231,967
Rent	195,327	199,729	199,731	203,725	207,683	211,659	215,710
Fleet	74,943	60,530	119,921	56,672	57,458	89,820	90,245
Total Expenses	**3,764,206**	**4,097,041**	**4,747,458**	**4,514,450**	**4,615,965**	**4,773,518**	**4,881,661**

Salaries and Benefits *(2026 Proposed = $2,383,423)*

- 2026 proposed salary levels are based on existing grades and levels as per the collective agreements. Staffing levels remain constant as compared to 2025.

- The total staff complement will consist of 27.10 FTE (27.50 FTE net of vacancy management of 0.40 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 Community Relations Coordinator

    - The CUPE positions include:
        - 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
        - Four Kennel Attendants

Service Purchase Agreement - Winnipeg Humane Society (WHS) ***(2026 Proposed = $1,012,000)***

- Effective January 1, 2025, the City provided annual funding to the Winnipeg Humane Society (WHS) under a service agreement for the 3-year period January 1, 2025, to December 31, 2027. There are two primary components to the agreement:
    1. The general services portion is for the WHS to provide kenneling and care for all stray cats pursuant to the RPO, and to provide veterinary and behavior-based treatments, with a focus on injured animals (2026 - $602,000).
    2. The second component is to support low-cost cat spay/neuter programming (2026 - $410,000).

Operating Expenses ***(2026 Proposed = $630,065)***

- Major operating expenditures used by the Agency include veterinary professional services ($200,000), animal food ($50,000), medical supplies ($50,000), printing and postage ($50,000), advertising ($35,000).
- Innovation and Technology related expenses ($48,146).
- 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 ($196,919).

Administrative Expenses ***(2026 Proposed = $228,564)***

- 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 $81,704 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

	2023 Actual (Audited)	2024 Actual (Audited)	2025 Adopted Budget	2026 Proposed	2027 Projected	2028 Projected	2029 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	80,596	80,964	81,333	81,704	82,077	83,577	85,107
	$227,456	**$227,824**	**$228,193**	**$228,564**	**$228,937**	**$230,437**	**$231,967**

Rent ***(2026 Proposed = $203,725)***

- The Agency facility at 1057 Logan Avenue is owned by the City of Winnipeg; however, Animal Services is charged rent of $203,725 per year (2026).
- 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 Expenses ***(2026 Proposed = $56,673)***

- 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 future years.
- The three vans being replaced in 2025 at a cost of $272,250 was funded directly from the Agency's accumulated surplus avoiding long-term capital lease and financing costs.

2026 Capital Funding:

- There have been some air quality concerns at 1057 Logan Avenue. To address these concerns, an initial $500,000 has been included in the 2026 preliminary capital budget within the Municipal Accommodations Health/Life Safety/Emergency Systems Refurbishment/City-wide Accessibility Captial Program.
- The funding will be used to identify possible improvements to the heating, ventilation, and air conditioning (HVAC) system and to assess health and safety needs within the facility. The project will be delivered using a phased approach, and future capital funding may be required to implement the necessary improvements.

2025 Financial Projections and Notes

Projected Statement of Financial Position

CITY OF WINNIPEG ANIMAL SERVICES - SPECIAL OPERATING AGENCY

As At December 31	Audited Actual 2023	Audited Actual 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
FINANCIAL ASSETS							
Cash	37,104	44,851	44,851	44,851	44,851	44,851	44,851
Due From the City Of Winnipeg - General Revenue Fund	3,473,891	3,733,813	1,228,074	618,843	472,097	221,798	(82,644)
Accounts receivable	-	-	-	-	-	-	-
	3,510,995	3,778,664	1,272,925	663,694	516,948	266,649	(37,793)
LIABILITIES							
Accounts payable and accrued liabilities	34,076	99,025	99,025	99,025	99,025	99,025	99,025
Deferred revenue	1,674,835	-	-	-	-	-	-
Vacation and overtime payable	91,824	105,140	105,140	105,140	105,140	105,140	105,140
Retirement allowance and compensated absences	172,000	172,000	172,000	172,000	172,000	172,000	172,000
	1,972,735	376,165	376,165	376,165	376,165	376,165	376,165
NET FINANCIAL LIABILITIES	1,538,260	3,402,499	896,760	287,529	140,783	(109,516)	(413,958)
NON-FINANCIAL ASSETS							
Prepaid expenses	-	-	-	-	-	-	-
ACCUMULATED (DEFICIT) / SURPLUS	$ 1,538,259	$ 3,402,498	$ 896,759	$ 287,528	$ 140,782	$ (109,517)	$ (413,959)

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 2023	Audited Actual 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
REVENUES							
Regulation fees	2,618,153	4,247,808	2,711,000	2,722,000	2,784,000	2,836,000	2,888,000
Transfer (Note 5h)	1,271,219	1,271,219	1,098,969	871,219	1,371,219	1,371,219	1,371,219
Sales of goods and services	115,735	123,766	91,750	122,000	124,000	126,000	128,000
Interest & Debt Charges	174,120	183,339	35,000	75,000	75,000	75,000	75,000
Government grant	28,156	29,486	30,000	30,000	30,000	30,000	30,000
Other revenue	72,853	105,662	75,000	85,000	85,000	85,000	85,000
Total Revenues	**4,280,237**	**5,961,280**	**4,041,719**	**3,905,219**	**4,469,219**	**4,523,219**	**4,577,219**
		-					
EXPENSES							
Salaries and employee benefits	1,938,680	2,064,981	2,286,193	2,383,423	2,449,598	2,544,085	2,619,222
Grants, transfers and other	845,581	990,784	1,289,750	1,042,000	1,067,000	1,087,000	1,190,000
Services (Note 6)	317,196	359,680	480,894	395,592	401,378	438,740	444,165
Administrative expenses (Note 6)	227,456	272,035	276,166	276,710	277,306	279,034	199,564
Rent (Note 6)	195,327	199,729	199,731	203,725	207,683	211,659	215,710
Material, parts and supplies	188,395	125,636	150,727	144,000	144,000	144,000	144,000
Debt and finance charges	48,632	47,426	51,997	51,000	51,000	51,000	51,000
Assets and purchases	2,939	36,770	6,000	6,000	6,000	6,000	6,000
Amortization	-	-	6,000	12,000	12,000	12,000	12,000
Transfer to Financial Stablization Reserve	-	-	1,800,000	-	-	-	-
Total Expenses	**3,764,206**	**4,097,041**	**6,547,458**	**4,514,450**	**4,615,965**	**4,773,518**	**4,881,661**
Annual (Deficit)/Surplus	516,030	1,864,240	(2,505,739)	(609,231)	(146,746)	(250,299)	(304,442)
ACCUMULATED (DEFICIT) / SURPLUS BEGINNING OF YEAR	1,022,229	1,538,258	3,402,498	896,759	287,528	140,782	(109,517)
ACCUMULATED (DEFICIT) / SURPLUS END OF YEAR	1,538,259	3,402,498	896,759	287,528	140,782	(109,517)	(413,959)

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 2023	Audited Actual 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Net inflow (outflow) of cash related to the following activities							
OPERATING							
Excess/(Deficiency) of revenue over expenses	516,030	1,864,240	(2,505,739)	(609,231)	(146,746)	(250,299)	(304,442)
Non-cash charges to operations							
Amortization	-	-	6,000	12,000	12,000	12,000	12,000
Retirement allowance and compensated absences	1,000	-	-	-	-	-	-
	517,030	1,864,240	(2,499,739)	(597,231)	(134,746)	(238,299)	(292,442)
Net change in non-cash working capital balances related to operations	(115,644)	(1,596,567)	-	-	-	-	-
Cash used in operating activities	401,386	267,672	(2,499,739)	(597,231)	(134,746)	(238,299)	(292,442)
CAPITAL							
Acquisition of tangible capital assets	-	-	(6,000)	(12,000)	(12,000)	(12,000)	(12,000)
FINANCING							
Change in due to The City of Winnipeg - General Revenue Fund	(404,315)	(259,922)	2,505,739	609,231	146,746	250,299	304,442
Increase (Decrease) in Cash	(2,929)	7,751	-	-	-	-	-
CASH, BEGINNING OF YEAR	40,032	37,102	44,853	44,853	44,853	44,853	44,853
CASH, END OF YEAR	37,103	44,853	44,853	44,853	44,853	44,853	44,853

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 2023	Audited Actual 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
ANNUAL (DEFICIT)/SURPLUS	516,030	1,864,240	(2,505,739)	(609,231)	(146,746)	(250,299)	(304,442)
Amortization of tangible capital assets	-	-	6,000	12,000	12,000	12,000	12,000
Acquisition of tangible capital assets	-	-	(6,000)	(12,000)	(12,000)	(12,000)	(12,000)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	516,030	1,864,240	(2,505,739)	(609,231)	(146,746)	(250,299)	(304,442)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,022,229	1,538,258	3,402,498	896,759	287,528	140,782	(109,517)
NET FINANCIAL ASSETS, END OF YEAR	1,538,259	3,402,498	896,759	287,528	140,782	(109,517)	(413,959)

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, 2026

1. DESCRIPTION OF BUSINESS

The Animal Services Special Operating Agency commenced operations on January 1, 2000. Since its inception, the Agency has focused on protecting public and animal health, promoting responsible pet ownership, and providing essential services under the Responsible Pet Ownership By-law.

The Agency's ongoing goals are to:

- Enforce the RPO By-law while educating pet owners on their responsibilities, including pet licensing.
- Deliver excellent customer service and improve resident satisfaction.
- Enhance neighbourhood health and safety through proactive animal care and incident response.
- Strengthen the Agency's image as a trusted community service.

Key Initiatives Since 2000

Animal Services has introduced a range of innovative programs and initiatives to meet community needs and improve outcomes for animals and residents:

- Adoption and Enrichment: Launch of the adoption program (2000) to give stray animals a second chance; the Doggie Dates, Station Doggie Dates (adoptable dogs placed in foster at Firehalls), and Business Buddy programs, allowing enrichment for shelter dogs and wellness opportunities for the community.
- Spay/Neuter Support: Low-income assistance programs and funding to reduce pet overpopulation.
- By-law and Licensing Improvements: Progressive amendments to the RPO By-law; introduction of cat licensing; online pet licensing; 311 service integration for licensing purchases.
- Technology and Systems: Adoption of Chameleon software for enhanced case management and operations.
- Community Engagement: Growth of social media presence; monthly media appearances; expanded volunteer opportunities and student placements.
- Animal Welfare Programs: Enhanced Free Release program, expanded education and outreach efforts, and partnerships with social services, veterinarians, rescue organizations and neighbouring jurisdictions.
- Sustainability: Green initiatives for facilities, fleet, and operations, including paperless license invoicing.

Through these initiatives, the Agency has evolved from a basic holding facility into a comprehensive community resource that balances enforcement, education, adoption, and outreach.

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. Expenses are recognized as incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Change in Accounting Policy

i) Revenue

On January 1, 2023, the City has prospectively adopted PS 3400 Revenue. This standard defines how to account for and report revenue from exchange and non-exchange transactions. As a result, current year revenues have increased by $1.7 million. There has been no impact on the financial statements' results of prior years.

The standard was accounted for prospectively, resulting in the recognition of $1.7 million in revenues in 2024 that were previously recorded as unearned revenue.

ii) Purchased Intangibles

On January 1, 2023, the City prospectively adopted PSG - 8 Purchased Intangibles. This guideline allows the recognition of intangible assets purchased through an exchange transaction. There has been no impact on these financial statements because of adopting this guideline.

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 change in net financial liabilities for the year.

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 financial statements in conformity with Canadian public sector accounting principles requires management to make assumptions and estimates in areas such as employee benefits and useful life of tangible capital assets. These estimates and assumptions are based on the Agency's best information and judgment and may differ from actual results

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 City will assess their financial instruments to determine if they are impaired. Any impairment losses would be reported in the Consolidated 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 can access funding from the City of Winnipeg as required.

Sales of services and regulatory fees

Revenue is recorded on an accrual basis in the fiscal year when the events giving rise to the revenue occurs. Revenue from transactions with no performance obligation is recognized when the authority to claim or retain economic inflow is in place, and the events giving rise to the revenue have occurred. Revenue from transactions with performance obligations is recognized when those performance obligations have been satisfied the following are typical performance obligations in relation to the City's sales of service and regulatory fees revenue:

Key Revenue Stream	Common Performance Obligation	Recognition	Examples
Licenses	Provide Rights	At point of sale	Dog/Cat Licenses
Fine	None	When collectible under the by-law	Statutory fines

3. Due from The City of Winnipeg - General Revenue Fund

The City of Winnipeg operates a centralized treasury function with a single operating bank account in the General Revenue Fund. Consequently, the Agency does not have a bank account. Bank transactions are credited or charged to the "Due from" account when they are processed through the bank. Interest is charged or credited based on the City's average short-term earnings (cost of funds) on the single bank account. December 31, 2024, the effective interest rate was 3.20% (2023 - 4.95%).

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 $871,219 in 2026.

(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 2.5% for 2026.

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 will receive a mill rate support transfer in the amount of $871,219 in 2026. The amount will be dedicated to partially support the Winnipeg Humane Society (WHS) service agreement totaling $1,012,000 (in 2026).

YEAR	[A] Gross Mill Rate Support	[B] Mill Rate Support Dedicated to The Humane Society Service Contract	[C = A - B] Net Mill Rate Support Dedicated to Animal Services Operating Expenses
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	987,500	111,469
2026 *	**871,219**	**1,012,000**	**-**

* Effective 2025 onwards the assumption is that the Mill Rate Support transfer is dedicated to funding the Winnipeg Humane Society service agreement, with any residual amount to support the general operations of the Animal Services Agency.

ASSUMPTIONS – EXPENSES

(a) Salaries and Employee Benefits

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

	2026	2027	2028	2029
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	(0.40)	(0.40)	(0.40)	(0.40)
Total FTEs Less Vacancy Management	**27.10**	**27.10**	**27.10**	**27.10**

(b) Grants

The City of Winnipeg will provide annual funding to the Winnipeg Humane Society based

upon the agreed service agreement for the term January 1, 2025, to December 31, 2027. There are two components to the Winnipeg Humane Society agreement:

1. The general services portion is for the WHS to provide kenneling and care for all stray cats pursuant to the RPO and to manage other activities, mainly caring for injured dogs and cats (2026 - $602,000).

2. The second component is to support low-cost cat spay/neuter program (2026 - $410,000).

(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 2026.

(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 $81,704 for 2026 by the Corporate Support Services Department.

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 technological needs and upgrades equipment as needed. The Agency has assumed that all dispositions will be made at netbook 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 based on 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.