



**Fleet Vehicle Agency  
Annual Report**

**2020-21**



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July 19, 2021

The Honourable Nils Clarke  
Minister of Highways and Public Works  
Government of Yukon  
P.O. Box 2703  
Whitehorse, YT Y1A 2C6

**RE: Annual Report for the Fleet Vehicle Agency**

Dear Minister Clarke:

I submit for your consideration, the annual report for the Fleet Vehicle Agency for fiscal year 2020 – 21, which ended on March 31, 2021.

The FVA continues to maintain operational efficiencies to ensure the sustainability of the vehicle fleet and the FVA Revolving Fund. In the 2020-21 fiscal year FVA supported departments and agencies in meeting their program objectives by supplying and managing efficient and affordable transportation options. The COVID-19 pandemic has impacted FVA by slowing delivery of new vehicles, parts and fit-ups, reducing overall vehicle kilometres travelled and raising some costs due to shortages.

I look forward to continued emphasis on increasing the availability and use of zero-emission vehicles, reducing fuel consumption and greenhouse gas emissions from petroleum fueled vehicles, and finding greater vehicle utilization opportunities. FVA continues to work with departments to increase vehicle utilization.

I would like to thank FVA's management and staff for their dedication and commitment to public service that they demonstrate while performing their responsibilities.

Sincerely,

Paul McConnell  
Deputy Minister

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Fleet Vehicle Agency  
Bldg 277 - 9029 Quartz Rd  
Whitehorse, Yukon Y1A 4P9

July 14, 2021

We are pleased to present the Fleet Vehicle Agency (FVA) Annual Report for fiscal year 2020-21. This report describes FVA, the services it provides and its accomplishments as a special operating agency, for the year just ended.

FVA strives to provide exceptional customer service to its government clients while working to meet their needs through better use of fleet vehicles and helping reduce department costs on transportation overall. During this year of the COVID-19 pandemic, FVA adjusted procedures and guidelines to help ensure employee safety while using fleet vehicles. Supply and demand were increasingly unpredictable, however, most departmental requirements have been fulfilled to the best degree possible.

FVA continues to focus on the use of environmentally friendly vehicles through increased electrification of the fleet, reduced GHG emissions and fuel consumption, and greater vehicle utilization rates. FVA is committed to working with government departments towards consolidating and modernizing the fleet vehicles and fleet services.

A handwritten signature in black ink, appearing to read "Shanna Epp", written over a horizontal line.

Shanna Epp  
Agency Head, FVA

A handwritten signature in black ink, appearing to read "Katy Mead", written over a horizontal line.

Katy Mead  
Chief Operating Officer, FVA

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## OVERVIEW

Since 1996, Fleet Vehicle Agency (FVA) has been operating as a special operating agency focused on customer service and managing for results in providing light and medium duty vehicles to government. FVA is a program of the Department of Highways and Public Works, and responsible to the Deputy Minister of Highways and Public Works. The planning and strategic direction of FVA is overseen by the Director of Supply Services Branch, who is the FVA Head. FVA is subject to government legislation, policies and directives, and contributes to the overall mission and mandate of the department.

FVA manages nearly 700 light duty vehicles to meet the transportation needs that are identified by departments. FVA pays for the normal operation of vehicles and departments are responsible for damages. Capital, operation and maintenance costs are recovered from departments based on a service agreement using rental and per use charge-back fees that are set out in the annual FVA Business Plan. Vehicles are assigned on long-term or short-term rentals. The main FVA office is located in Whitehorse, with pool vehicles available in Whitehorse, Dawson City and Watson Lake. FVA has 8.5 employees as of March 31, 2021.

## MISSION

*"To help government departments and publicly funded agencies meet their objectives by procuring and managing efficient and affordable ground transportation services."*

## MANDATE

- Managing delivery of ground transportation services in a business-like manner to ensure that the government's financial resources are used effectively.
- Meeting the ground transportation needs of its customers by delivering services to them in a customer-oriented manner that enables them to focus on their core business.
- Meeting the public policy objectives of the Yukon government, for example, sustainable procurement and carbon emission reduction.



## SERVICES

The fleet consists of a variety of passenger cars, trucks, sport utility vehicles, passenger/cargo/specialty vans and specific use (1 to 5 ton) heavy duty trucks.

**The following services are included with vehicles rented from FVA:**

- FVA manages a fuel card program for purchasing fuel and processes the billing, which ensures recovery of various taxes by the Department of Finance. Each FVA vehicle is assigned its own fleet fuel card which can be used as a credit card at the majority of commercial fuel and service suppliers in Yukon.
- Vehicles are regularly cleaned and inspected for safety. Emergency equipment is standard with all pool vehicles and radio phones are available for fees on request. In response to COVID-19 enhanced cleaning protocols and vehicle use guidelines were implemented in March 2020 and continue throughout the pandemic.
- Basic maintenance checks are performed by agency staff. FVA manages full maintenance and repair services which includes body damage repairs, tires and glass for all its vehicles. These services are supplied through agreements with Transportation Maintenance Branch or contracts with private sector garages in most communities. A limited number of courtesy vehicles are provided upon request during scheduled preventive maintenance or repair.
- FVA rate charges cover the cost of minor repairs from normal use. Any damage beyond normal wear and tear is charged back to the departments per the service agreement.
- FVA provides customers with monthly vehicle usage reports that detail by vehicle the kilometres driven and costs incurred. Increased use of telematics such as automatic vehicles locators (AVLs) provides more information on usage, location and condition. Costs consist of fixed charges, variable charges (such as kilometres, daily short-term rentals), fuel charges, and specific repair-related charges (if applicable).
- FVA offers a roadside assistance program on a cost recovery basis. These services include flat tire changes, boost services, additional cleaning and vehicle pickups in Whitehorse and vicinity. Third-party roadside assistance outside of Whitehorse can be arranged through FVA upon request.
- FVA has an electronic interface between the fleet management software named KEYS and the government's General Ledger system.
- FVA offers KEYS-Online to give clients direct access to reports on usage and billing data, and allow clients to directly input their monthly kilometre information to speed up reporting and simplify the billing process.

**The following additional services are also provided by FVA (upon request):**

- Issue fleet fuel cards as "project cards" for non-FVA vehicles such as graders and plows, government projects, and highway camps and process payment for all fuel-related transactions.
- Service level agreements for management and service of non-FVA vehicles, for example Education's activity buses, including usage reporting, maintenance, inspections, and cleaning. FVA provides parking and key control for the Department of Education's pool of activity buses for Whitehorse schools.
- Sharing vehicle purchase specification information for tender documents and procurement to Yukon government departments, funded agencies, and corporations.

## 2020-21 OPERATING PROFILES

### Fleet Profile

At the end of fiscal year 2020-21, the fleet was composed of 694 vehicles: 569 were assigned to departments, 101 were used as pool vehicles based in Whitehorse (94), Dawson City (3), and Watson Lake (4), and 24 were awaiting disposal through a surplus auction or transfer. FVA is examining its vehicle replacement program at the same time as establishing benchmarks for utilization of existing vehicles. Replacement of aged-out units enhances the overall efficiency of the owned vehicle inventory and is part of the annual procurement planning. No surplus vehicles were auctioned or sold in 2020-21.

	2020/2021	2019/2020	2018/2019
<b>Fleet inventory</b>			
Total number of vehicles at start of fiscal year	687	674	632
Vehicles purchased	7	31	68
Vehicles acquired by transfer	0	0	2
Vehicles sold	0	18	28
<b>Total number of vehicles at fiscal year end</b>	<b>694</b>	<b>687</b>	<b>674</b>
<b>Fleet asset value</b>			
Recovery on vehicles sold (000s)	0	43	104
Average return (net of disposal fees) (000s)	0	2	4
Total book value at fiscal year end (000s)	7,074	8,288	8,563
Fully amortized vehicles estimated replacement cost (000s)	7,728	6,510	6,360
<b>Fleet distribution</b>			
Vehicles on annual assignment to departments	569	591	547
Pool vehicles for daily/weekly/monthly assignments	101	95	108
Vehicles retired awaiting disposal	24	1	19
Fully amortized vehicles pending replacement	309	262	255
Percentage of fleet fully amortized	45%	38%	38%

**Note <sup>1</sup>:** This table and some included previous year information has been updated to include both estimated replacement cost of fully amortized vehicles, and vehicles retired from use but still "pending" disposal through auction or transfer.

## Zero Emission Vehicles (ZEVs)

Government of Yukon is committed to increasing the use of electric vehicles in its fleet over the next ten years. Our Clean Future (September 2020) promises half of new passenger car purchases for FVA will be zero-emission vehicles, along with increasing charging infrastructure for these ZEVs, until 2030. FVA publicly tendered for 2 battery-electric (BEV) cars and 5 plug-in hybrid (PHEV) compact SUVs in 2021 from local dealerships, raising the fleet total to eight ZEVs from one: a ZEV purchased in 2016 as a pilot project.

"Sparky", a 2016 Chevrolet Spark BEV, was the first step towards reducing greenhouse gas emissions by using electric vehicles in government. This project provides current and direct data on the cost effectiveness and operational value of a BEV compact passenger car in Yukon over a seven-year period, for use and analysis by the Energy Solution Centre and the Climate Change Secretariat.

- **Data collection:** Detailed trip records and vehicle use logs are being maintained by the Energy Solution Centre. In addition since June 2019 data has been logged using an automatic vehicle locator (AVL) which is an onboard data logging device.
- **Range:** The range of the fully charged vehicle has varied from approximately 130km in summer to under 80km at -30 degrees Celsius.
- **Usage:** Sparky was driven 778 km from April 1, 2020 to March 31, 2021. The starting reported odometer reading on April 11, 2016 was 36 km and the reported odometer reading March 31st, 2021 was 10,641 km.
  - **Monthly distance:** The average distance driven in 2020-21 have been approximately 65 km per month vs. 227 per month in 2019-20. While low in comparison to the 2020-21 fleet average of 750 km per month, this lower usage can be attributed to a limited driver pool, vehicle range, limited charging locations, and the pandemic.
- **Electricity consumption:** Sparky used approximately 124 kWh of electricity in 2020-21 driving 778 km which is approximately 15.8 kWh/100 km. Using the rate of \$0.1286/kWh (current ATCO Yukon Electric rate), gives a cost for power of approximately \$16 for the year and \$0.02/km.
  - **Comparative fuel economy:** The FVA average fuel operating cost, for gas powered units across the entire fleet, was \$0.169 per km (using a \$1.16 per litre average). The fleet average fuel economy for eight gas-powered subcompact cars (Class 401) of the same 2016 model year was 8.978 L/100km or \$0.104 per km.
- **Repairs:** to date, one flat tire was fixed and one Chevrolet recall for computer reprogramming were resolved. There have been no other reported mechanical or electronic issues with Sparky.
  - **Tires:** Like all FVA units, Sparky was outfitted with winter-rated tires when it was put into use. All FVA vehicles use winter rated or severe service (commercial) tires year round.

## Fuel Usage

In 2020–21, due to the COVID-19 pandemic we saw a decrease in transportation as overall kilometres dropped off as many assigned vehicles sat idle while community trips were cancelled (see Table 4: Vehicle Utilization, page 7). At the same time, essential programs required larger and/or multiple vehicles for safe spacing while transporting staff and clients, so there was higher usage in some vehicle classes not normally seen. Marginal reduction in fuel efficiency can be attributed to that. Generally, FVA continues to advise departments that no idling, right-sizing and efficient driving techniques help increase fuel efficiency and reduce greenhouse gas emissions which supports our commitment in *Our Clean Future*.

	2020/2021	2019/2020	2018/2019
<b>Fuel Efficiency</b>			
Total kilometres driven (000s)	6,738	7,888	8,091
Litres of fuel consumed (000s)	1,039	1,198	1,227
Consumption in litres per 100 km	15.4	15.2	15.2
<b>Fuel Cost</b>			
Total fuel cost (000s)	1,184	1,625	1,651
Average price per litre (net)	1.14	1.36	1.35
<b>Emissions</b>			
CO <sub>2</sub> emitted in grams per km driven (g/km) <sup>(2)</sup>	353	348	347
Change in CO <sub>2</sub> emitted per km driven	1.5%	0.2%	-

Note <sup>2</sup>: CO<sub>2</sub> emitted grams per km are rounded estimates using Industry Canada's CO<sub>2</sub> emission value of 2.29 kg/l of fuel.

	2020/2021			2019/2020			2018/2019		
<b>Fuel Cost Distribution</b>	ltrs	\$	\$/km <sup>(3)</sup>	ltrs	\$	\$/km <sup>(3)</sup>	ltrs	\$	\$/km <sup>(3)</sup>
Total fuel(000s)	1,039	1,184	0.18	1,198	1,625	0.21	1,227	1,651	0.20
FVA fuel (000s)	976	1,111	0.18	1,117	1,513	0.22	1,140	1,528	0.21
3rd party fuel (000s)	63	73	0.15	81	112	0.13	87	124	0.18
<b>Fuel Cost Recovery</b>									
Direct-billed fuel recovered (000s) (Includes 2% surcharge)	1,250			1,579			1,570		
Short-term fuel expense (000s)	-41 <sup>(4)</sup>			77			112		

Note <sup>3</sup>: Figures based on rounded data from financial statements.

<sup>4</sup>: Total fuel billing for short-term rental is based on a variable kilometre usage rate, and includes fuel for courtesy cars.

## Vehicle Utilization

As shown in Table 4 below, there was a 14.6% decrease in total kilometres driven in 2020-21: 6,738,000 km from 7,888,000 km in 2018-19. The 2020-21 per vehicle utilization rate for FVA-owned vehicles show a decrease of 12.6% and a decrease of 41.3% in 3<sup>rd</sup> party rental kilometres.

	2020/2021	2019/2020	2018/2019
<b>Vehicle Utilization</b>			
Total Kilometres driven(000s)	6,738	7,888	8,091
3rd Party Rentals kilometres driven(000s)	501	853	670
Owned Fleet Kilometres driven(000s)	6,237	7,035	7,421
Owned Fleet Utilization rate <sup>(4)</sup> (per vehicle - 000s)	9.0	10.3	11.4

**Note 4:** Based on the average number of owned vehicles from the beginning to end of each year including vehicles awaiting disposal as per note from Table 1.

Utilization Breakdown	FVA Fleet		3rd Party		3rd Party SY <sup>(5)</sup>	
	Units	kms	Units	kms	Units	kms
Car - Sub-Compact	39	170,113	0	0	1	836
Car - Compact	4	10,205	0	0	0	0
Car - Mid-size	54	314,623	0	0	2	1,046
SUV - Compact	173	1,356,125	0	0	1	36
SUV - Mid-size	34	300,830	10	19,730	27	39,048
SUV - Full-size	17	165,783	2	2,949	11	11,207
Pick-up - 4x2 mid-size	2	15,778	0	0	0	0
Pick-up - 4x2 full-size	7	75,552	0	0	0	0
Pick-up - 4x4 mid-size	25	234,690	4	10,733	0	0
Pick-up - 4x4 full-size	178	2,384,198	38	406,722	0	0
Cargo Van - Minivan	17	132,570	0	0	0	0
Cargo Van - Full-size	52	633,065	0	0	0	0
Cargo Van - Cube Van	0	0	1	430	1	3,392
Passenger Van - Minivan	23	128,026	4	615	1	535
Passenger Van - AWD Crossover	8	99,761	0	0	0	0
Passenger Van - Full-Size	10	63,086	3	880	1	2,872
Truck - Light	15	126,711	0	0	0	0
Truck - Heavy Duty	2	25,786	0	0	0	0

**Note 5:** 3<sup>rd</sup> Party SY are third party rentals for non-government employees (i.e contractors, potential hires, etc.) that cannot utilize FVA vehicles under GAM 2.11 s.2.2.3.

## Cost and Revenue Profiles

**Expenses (Costs):** Total operating costs decreased by 2.2% to \$3.88M, attributed in large part to lower vehicle service and repair costs as vehicles were driven less overall during the pandemic.

Third party rental costs decreased to \$623,000, from \$818,000. Thirteen (13) 4x4 full-size pickup trucks out of the expected summer season rentals were replaced by purchased fleet vehicles in 2020, while reduced travel and in-person service delivery during the pandemic minimized requirements for vehicles beyond those available in pool.

Administration and salary costs increased by 8.5% primarily due to staffing vacant positions, equipment replacement and fleet management system upgrades. FVA staff cross training allows better internal essential work coverage during illness and employee leave events, reducing expenses for auxiliary or casual staff.

**Revenues:** Total revenues decreased 1.7% to \$4.87M, due to reduced kilometres driven and more Fleet Vehicle Agency-owned units assigned to departments that were previously rented for the summer season.

**Net (losses) Annual Surplus:** Net income increased 0.5% in 2020-21 to \$986,000 from \$981,000, due largely to lower than usual procurements: \$0.351M (7 vehicles) vs \$1.35M in 2019 (31 vehicles).

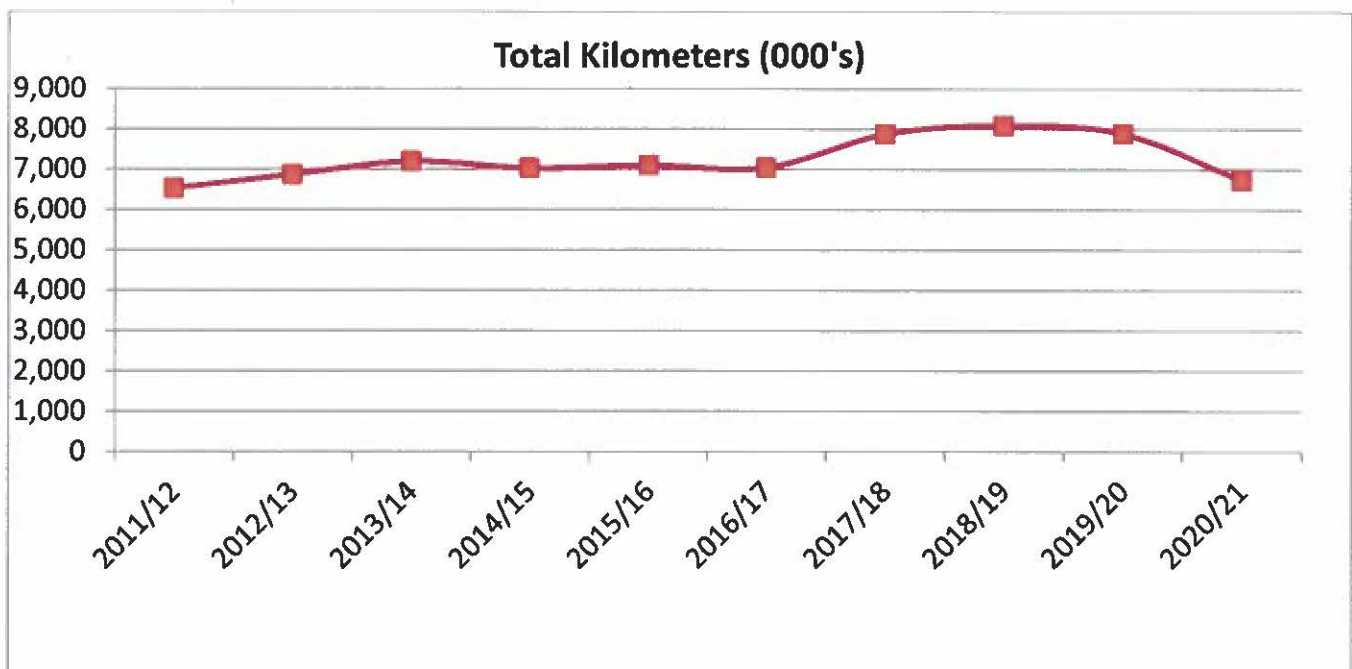
Cost Profile	2020/2021		2019/2020		2018/2019	
	\$	Per Km <sup>(6)</sup>	\$	Per Km <sup>(6)</sup>	\$	Per Km <sup>(6)</sup>
Vehicle service and repairs (000s)	802	0.12	672	0.09	1,014	0.13
Fuel <sup>(7)</sup> (000s)	-41	-0.01	77	0.01	112	0.01
Third-party vehicle rentals	623	0.09	818	0.10	555	0.07
Other operating expenses	81	0.01	55	0.01	88	0.01
<b>Direct Operating Costs</b>	<b>1,465</b>	<b>0.21</b>	<b>1,622</b>	<b>0.21</b>	<b>1,769</b>	<b>0.22</b>
Salaries and administration	855	0.13	788	0.10	830	0.10
Amortization	1,564	0.23	1,562	0.20	1,554	0.19
<b>Total Costs</b>	<b>3,884</b>	<b>0.57</b>	<b>3,972</b>	<b>0.51</b>	<b>4,153</b>	<b>0.51</b>
<b>Revenue Profile</b>						
Legislative appropriation	0	0.00	0	0.00	13	0.00
Vehicle rental revenue	4,870	0.72	4,970	0.63	4,870	0.60
Other revenues (losses)	0	0.00	-17	0.00	23	0.00
<b>Total Revenues</b>	<b>4,870</b>	<b>0.72</b>	<b>4,953</b>	<b>0.63</b>	<b>4,906</b>	<b>0.60</b>
<b>Net (losses) Annual Surplus <sup>(8)</sup></b>	<b>986</b>	<b>0.15</b>	<b>981</b>	<b>0.12</b>	<b>753</b>	<b>0.09</b>

Note <sup>6</sup>: Per km figures are for total kilometres driven.

Note <sup>7</sup>: Short-term (pool) rentals fuel is paid by FVA (from audited financial statement).

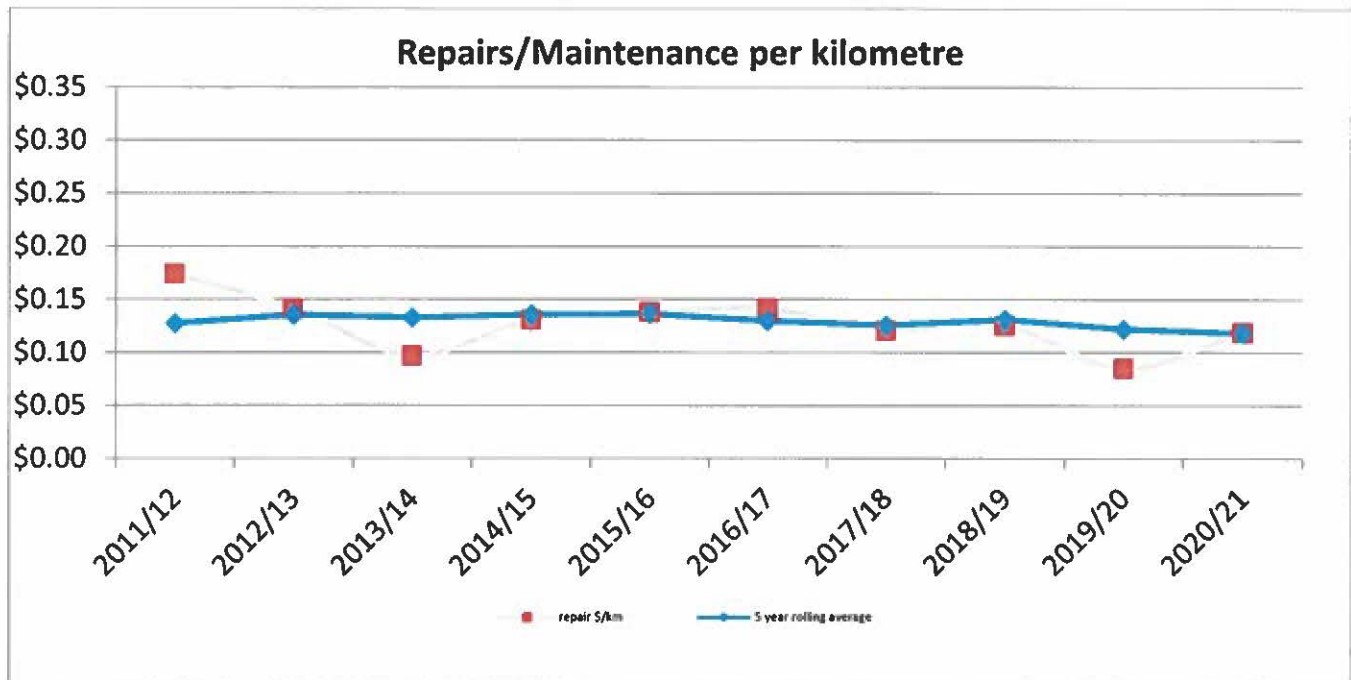
Note <sup>8</sup>: Annual Surplus amounts based on audited actual amounts, not the rounded amounts presented in the report.

## Operating and Financial Trends



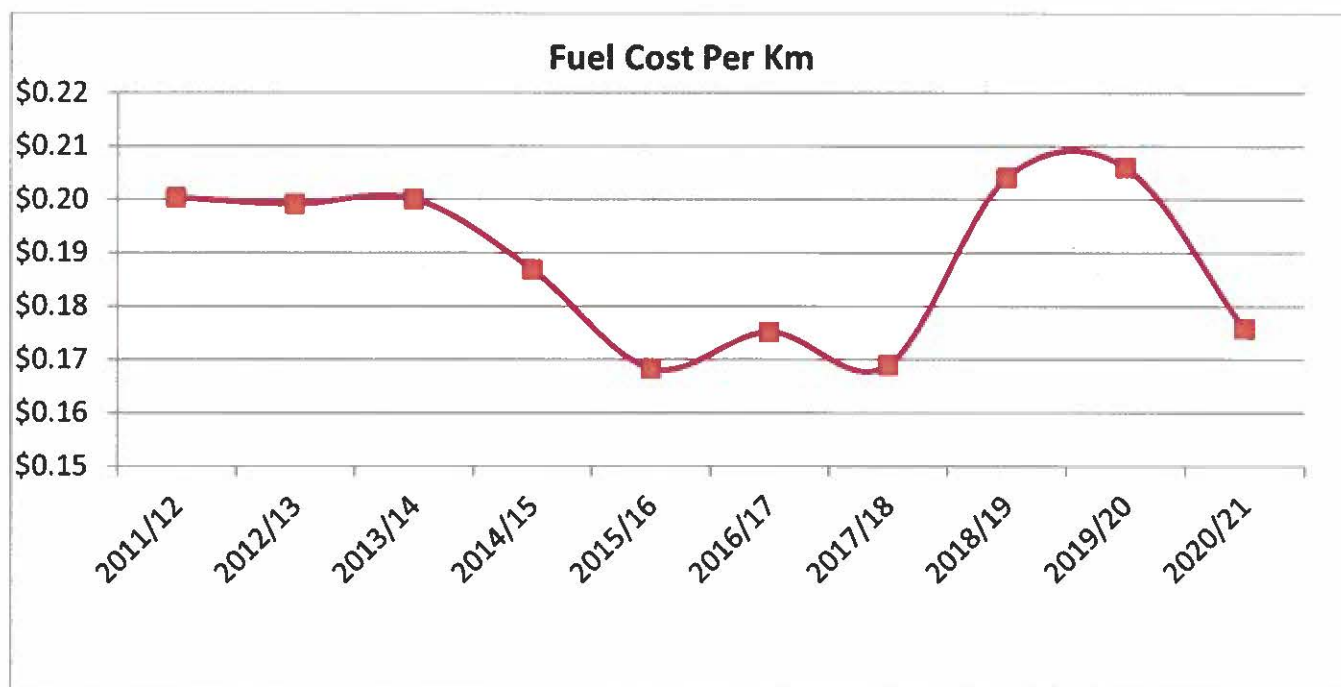
**Client Demand (Total Kilometres):** Total use decreased by 14.6% in 2020-21 due to the pandemic as travel between communities and general services, such as parks maintenance, were lower than normal for much of the year, bringing total kilometres driven to below 2012-13 levels, when fleet total was closer to 500 vehicles. Total kilometres includes both FVA-owned vehicles and 3<sup>rd</sup> party rental vehicles.



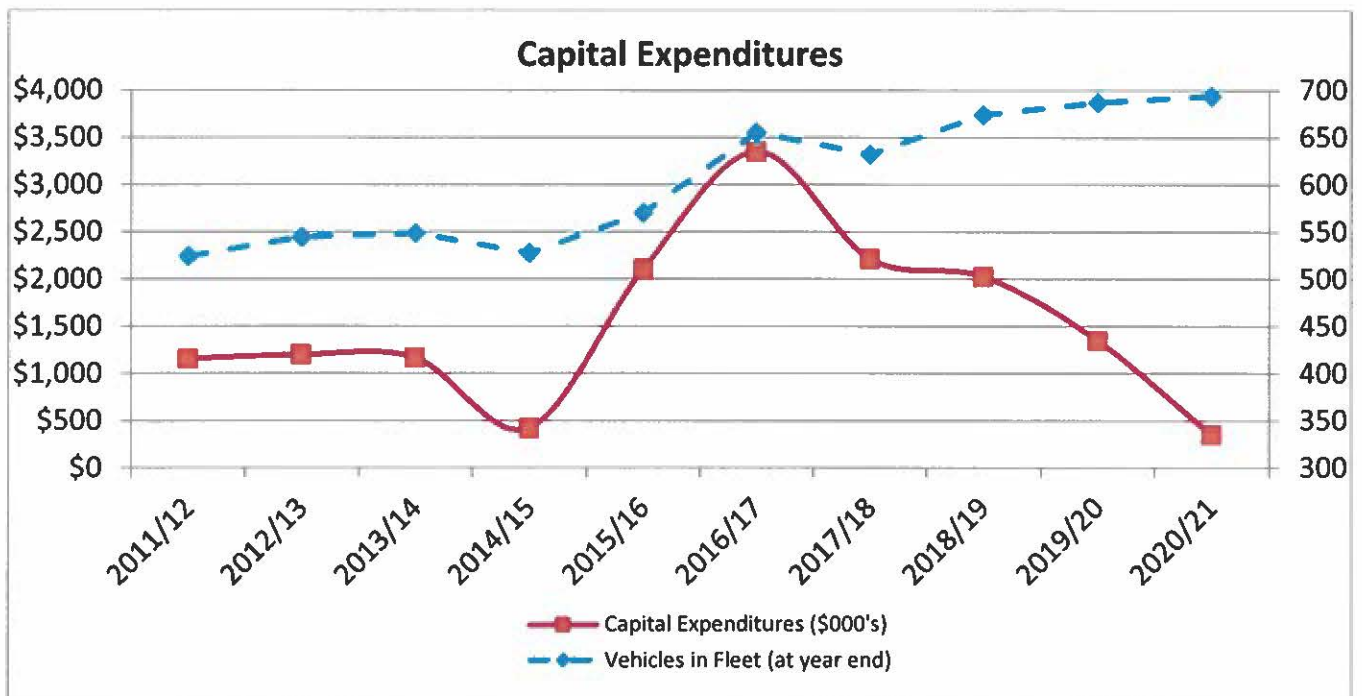


**Repair / Maintenance Costs:** Fleet maintenance and repair costs stayed within the 12-14 cents per kilometre expected range for 2020-21. Kilometre rates charged are to cover repairs and maintenance such as regular preventive maintenance services and minor repairs. Major repairs and up-fits for added equipment are directly billed back to clients. FVA will look into this further to determine the accurate by class costs of repairs, maintenance, and 3<sup>rd</sup> party rental charges for repairs.

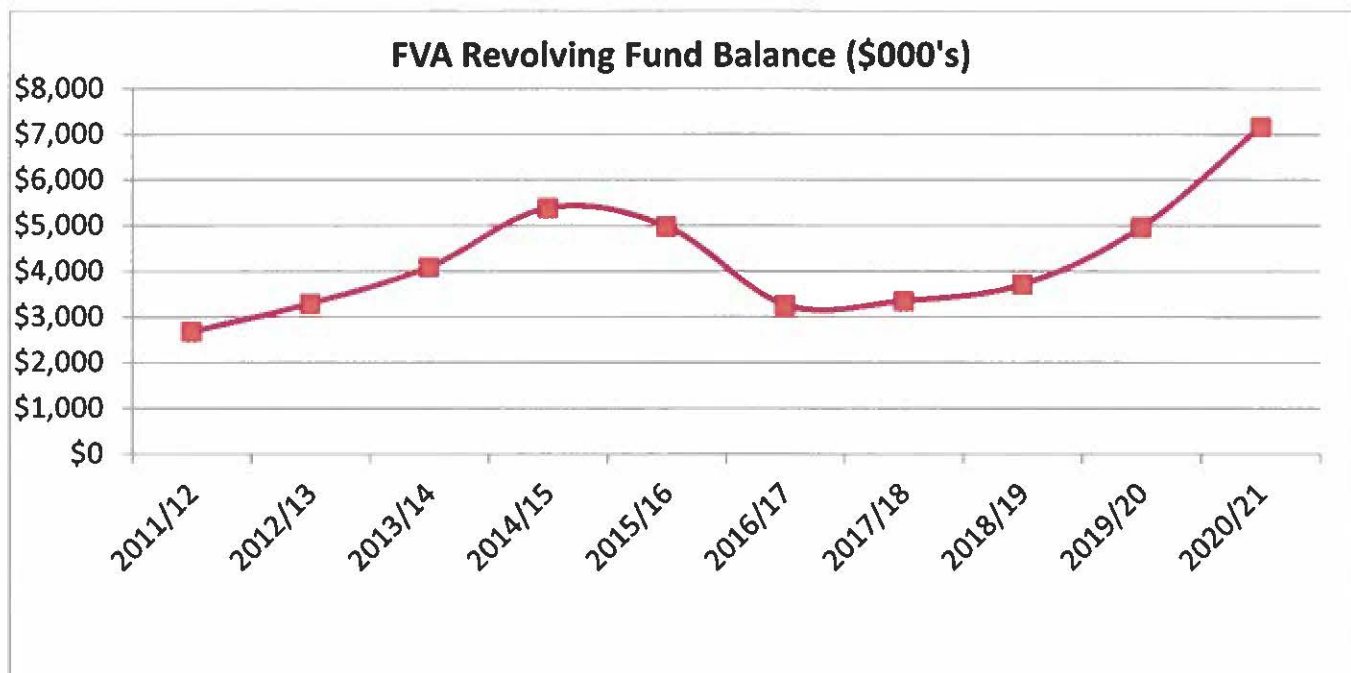




**Fuel Cost:** The cost of fuel per kilometre driven in 2020-21 decreased 14.3% from 2019-20 due to lower fuel costs. Our average price per litre in 20/21 was \$1.14, down from \$1.36. The average retail price according to Stats Canada for Whitehorse, Yukon was \$1.185. Government of Yukon procures regional supply arrangements with local vendors for fuel at reduced rates.



**Capital Expenditure (Expenditure vs Fleet Size):** The fleet has grown with the size of government and its programs for citizens. Successful vehicle procurements will continue to ensure programs have access to the vehicle required and the timely replacement of retired vehicles when needed, while right-sizing the fleet for maximum utilization. Due to the pandemic, tendering for new vehicles has been delayed.



*Fund balance as recorded in the Public Accounts*

**Fleet Vehicle Agency Revolving Fund Balance:** The revolving fund covers personnel, maintenance and cleaning of vehicles, and the replacement of vehicles. In the past three years, the increasing balance directly correlates to less spending for new vehicles.

#### Amortization Table

Asset Type	Planned Replacement Schedule
Passenger cars	7 years
Cargo vans	10 years
Passenger vans	7 years
4 x 2 Pickup trucks	7 years
4 x 4 Pickup trucks	6 years
Heavy duty trucks	15 years
Stake trucks	10 years
Utility Vehicles	7 years
Assets Other (i.e. canopy)	7-15 years

FLEET VEHICLE AGENCY  
(A SPECIAL OPERATING AGENCY OF  
HIGHWAYS AND PUBLIC WORKS)

FINANCIAL STATEMENTS

March 31, 2021

Fleet Vehicle Agency

Financial Statement

March 31, 2021

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Fleet Vehicle Agency

Statement of Financial Position

As at March 31, 2021

	2021 (000s)	2020 (000s)
<b>Financial assets</b>		
Accounts receivable (Note 3)	\$ 27	\$ 42
Due from Government of Yukon (Note 5)	4,978	3,574
	5,006	3,616
<b>Liabilities</b>		
Accounts payable and accrued liabilities	346	1,158
<b>Net financial assets</b>	<b>4,659</b>	<b>2,458</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 4)	7,074	8,288
<b>Accumulated Surplus</b>	<b>\$ 11,734</b>	<b>\$ 10,746</b>

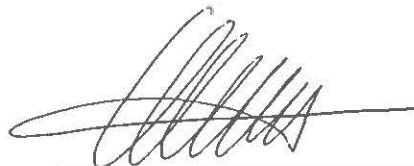
Legislative compliance (Note 6)

The accompanying notes are an integral part of the financial statements.

Approved:



Deputy Minister  
Highways and Public Works



Minister  
Highways and Public Works

# Fleet Vehicle Agency

## Statement of Operations and Accumulated Surplus

As at March 31, 2021

	2021 (000s)	2020 (000s)
<b>Revenue:</b>		
Vehicle rentals & leases (Note 3)	\$ 4,870	\$ 4,970
Gain (loss) on disposal of tangible capital assets	-	(17)
	<u>4,870</u>	<u>4,953</u>
<b>Expenses:</b>		
Amortization	1,564	1,562
Salaries and administration	855	788
Vehicle service and repairs (Note 3)	802	672
Vehicle rentals	623	818
Contract services (Note 3)	54	36
Registration and communications	27	19
Fuel	<u>(41)</u>	<u>77</u>
Total expenses	<u>3,882</u>	<u>3,972</u>
Surplus for the year	988	981
Accumulated surplus, beginning of year	<u>10,746</u>	<u>9,765</u>
Accumulated surplus, end of year	<u>\$ 11,734</u>	<u>\$ 10,746</u>

The accompanying notes are an integral part of the financial statements.

Fleet Vehicle Agency

Statement of Changes in Net Financial Assets

For the year ended March 31, 2021

	2021 (000s)	2020 (000s)
Annual Surplus	\$ 988	\$ 981
Effect of change in tangible capital assets		
Amortization	1,564	1,562
Acquisition of tangible capital assets	(351)	(1,347)
Proceeds on disposal of capital assets	-	43
(Gain) loss on disposal of tangible capital assets	-	17
Increase (decrease) in net financial assets	2,201	1,256
Net financial assets - beginning of year	2,458	1,202
Net financial assets - end of year	\$ 4,659	\$ 2,458



## Fleet Vehicle Agency

### Statement of Cash Flows

For the year ended March 31, 2021

	2021 (000s)	2020 (000s)
<b>Operating transactions</b>		
Annual Surplus	\$ 988	\$ 981
Add (deduct) items not involving cash		
Amortization of tangible capital assets	1,564	1,562
(Gain) loss on disposal of tangible capital assets	-	17
Change in non-cash working capital balances	796	657
	<u>3,348</u>	<u>3,217</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(351)	(1,347)
Proceeds on disposal of tangible capital assets	-	43
	<u>(351)</u>	<u>(1,304)</u>
<b>Financing transactions</b>		
Increase in due from Government of Yukon	(2,997)	(1,913)
	<u>(2,997)</u>	<u>(1,913)</u>
<b>Cash, beginning and end of year</b>	<u>\$ -</u>	<u>\$ -</u>

FVA does not have cash. Cash is held and managed on behalf of FVA by the Department of Finance, Government of Yukon.

# Fleet Vehicle Agency

## Notes to Financial Statements

March 31, 2021

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### 1. Authority and Operations

Fleet Vehicle Agency (The 'Agency') was established as a Special Operating Agency under the Fleet Vehicles Agency Charter with the approval of the Cabinet of the Government of Yukon and commenced operations on April 1, 1996.

FVA is a program of the Department of Highways and Public Works and is responsible for procuring and managing efficient and affordable ground transportation services for government departments and publicly funded agencies. FVA is accountable for its activities as described in its charter. As a program of the Department, FVA is subject to government legislation, directives and policy.

### 2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with the reporting requirements on Government of Yukon as described below and using the recognition and measurement principles of Canadian Public Sector Accounting Standards.

#### Amortization

FVA is responsible for the operation and safeguarding of the tangible capital assets and the Government of Yukon retains title to the assets.

Tangible capital assets are estimated to have a salvage value at the end of their normal life equal to 10% of the original cost. Amortization is provided on a straight-line basis over the estimated normal life of the asset. Assets acquired in the first six months in the year are amortized for a full year; assets acquired in the last six months begin amortization in the following year.

The estimated normal life for each asset is as follows:

Passenger cars	7 years
Cargo vans	10 years
Passenger vans	7 years
4 x 2 Pickup trucks	7 years
4 x 4 Pickup trucks	6 years
Heavy duty trucks	15 years
Stake trucks	10 years
Utility Vehicles	7 years
Assets Other	7-15 years

## Fleet Vehicle Agency

### Notes to Financial Statements

March 31, 2021

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#### 2. Significant Accounting Policies (continued)

##### Services provided without charge

FVA does not record the value of services it receives without charge. These services include the following:

- use of office premises and vehicle parking area which are provided by the Government of Yukon;
- telephone, utilities, office, and other overhead costs which are also provided by the Government of Yukon; and
- interest free legislative appropriation and other advances from the Government of Yukon.

##### Pensions

The employees of FVA are employees of the Government of Yukon but are recorded as employees of FVA. Both FVA and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. FVA is only liable for current contributions which are expensed in the accounts on a current basis.

##### Revenue Recognition

Revenue from assigned vehicles is billed on a quarterly or annual basis, at the beginning of the period, and revenue is adjusted accordingly if a vehicle is returned mid-way through the year. Rental revenue for pooled vehicles is earned on a monthly basis. Mileage revenue is billed on a monthly basis for kilometres driven to the end of the particular month.

##### Use of Estimates

The preparation of financial statements in accordance with Canadian Public Sector accounting standards requires FVA's management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

##### Financial Instruments

FVA's financial instruments consist of accounts receivable, due from Government of Yukon, and accounts payable. Financial instruments are recorded at cost or amortized cost. Unless otherwise noted, it is management's opinion that FVA is not exposed to significant interest, currency, or credit risks arising from its financial instruments.

## Fleet Vehicle Agency

### Notes to Financial Statements

March 31, 2021

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#### 3. Related Party Transactions

The Special Operating Agency is related to the following parties in terms of being a program of the Department of Highways and Public Works.

Revenue consists of the following:

	2021 (000s)	2020 (000s)
Government Departments		
Health and Social Services	\$ 1,241	\$ 1,259
Highways and Public Works	1,129	982
Environment	826	861
Community Services	670	700
Energy, Mines and Resources	468	488
Education	198	274
Justice	149	161
Tourism and Culture	69	94
Yukon Legislative Assembly	13	11
Executive Council Office	6	21
Finance	4	2
Public Service Commission	3	5
Economic Development	-	10
	<u>4,775</u>	<u>4,868</u>
Corporations		
Yukon Housing Corporation	69	72
Yukon Liquor Corporation	26	24
Other	-	6
	<u>95</u>	<u>102</u>
	<u>\$ 4,870</u>	<u>\$ 4,970</u>

Fleet Vehicle Agency

Notes to Financial Statements

March 31, 2021

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3. Related Party Transactions (continued)

Expenses include the following:

	2021 (000s)	2020 (000s)
Vehicle service and repairs		
Transportation	\$ 1,043	\$ 1,235
Charge Back	(431)	(706)
Contract services		
Property Management Department	30	30
	<b>\$ 642</b>	<b>\$ 559</b>

Accounts receivable consists of the following:

	2021 (000s)	2020 (000s)
Yukon Housing Corporation	\$ 18	\$ 33
Yukon Liquor Corporation	3	2
Yukon University	6	7
	<b>\$ 27</b>	<b>\$ 42</b>

## Fleet Vehicle Agency

### Notes to Financial Statements

March 31, 2021

#### 4. Tangible Capital Assets

	2021			2020
	(000s)			(000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets - Other	\$ 352	\$ 294	\$ 58	\$ 58
Passenger Cars	1,939	1,369	570	710
Cargo Vans	2,744	1,503	1,241	1,120
Passenger Vans	1,162	771	391	414
4 x 2 Pick Up Trucks	224	202	22	24
4 x 4 Pick Up Trucks	7,208	5,070	2,138	2,708
Heavy Duty Trucks	271	111	160	177
Stake Trucks	1,119	549	570	664
SUVs	6,289	4,365	1,924	2,413
	<b>\$ 21,308</b>	<b>\$ 14,234</b>	<b>\$ 7,074</b>	<b>\$ 8,288</b>

#### 5. Due from (to) Government of Yukon

Due from (to) Government of Yukon is a long-term advance to FVA consisting of the following:

- tangible capital assets acquired by the Government of Yukon prior to establishment of FVA or through the devolution of Federal Government Programs and any interdepartmental transfers, for use by FVA; and
- cash received or disbursed by the Government of Yukon on behalf of FVA, since FVA's establishment at April 1, 1996.

The amount due from (to) the Government of Yukon is non-interest bearing and there are no fixed terms of repayment.

## Fleet Vehicle Agency

### Notes to Financial Statements

March 31, 2021

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#### 6. Legislative Compliance

The Fleet Vehicle Revolving Fund is governed by section 47 of the *Financial Administration Act*.

- 47 (1) states that the Fund limit shall be \$8,000,000. The balance of the Revolving Fund at March 31, 2021 was \$7,188,960, (March 31, 2020 \$4,988,043.)
- 47 (2) states that the accumulated capital and operations and maintenance expenditures, excluding amortization, shall not exceed the accumulated revenues in the Fund at the time of expenditure. At all times during the year, our expenditures were less than the accumulated revenues at the time of expenditure.

	2021 (000s)	2020 (000s)
Opening Balance, April 1	\$ 4,988	\$ 3,717
Revenues from operations	4,870	4,970
(Gain) loss on sale of tangible capital assets	-	17
Proceeds on sale of tangible capital assets	-	42
	<u>\$ 9,858</u>	<u>\$ 8,746</u>
Capital expenditures	351	1,347
Operations and maintenance expenditures	3,882	3,973
Amortization of tangible capital assets	(1,564)	(1,562)
	<u>\$ 2,670</u>	<u>\$ 3,758</u>
Excess of revenues over expenditures, as defined in section 47(2)	<u>\$ 7,189</u>	<u>\$ 4,988</u>

- 47 (3) states that capital expenditures from the fund shall not exceed \$3,900,000 in a fiscal year. Management Board Minute #14-20-08 approved, for inclusion in the Financial Administration Act, an amendment tabled in Legislature to increase the limit by \$2,700,000 from \$1,200,000. Capital expenditures for the year ended March 31, 2021, were \$351,284, (March 31, 2020 \$1,347,116.)
- 47 (4) states that revenues from the sale, lease, or other use of the fleet vehicles shall be credited to the Fund unless the Management Board directs otherwise.