



Fleet Vehicle Agency
Annual Report

2021-22





July 31, 2022

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

Dear Minister Clarke:

Re: Annual Report for the Fleet Vehicle Agency

I submit for your consideration, the annual report for the Fleet Vehicle Agency for fiscal year 2021-22, which ended on March 31, 2022.

The FVA continues to maintain operational efficiencies to ensure the sustainability of the vehicle fleet and the FVA Revolving Fund. In the 2021-22 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 impacted FVA by slowing delivery of new vehicles, parts and fit-ups, reducing vehicle overall kilometres travelled and raising costs due to shortages in the market.

I look forward to FVA's 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 and support their reliable delivery of programs and services to Yukoners.

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

Sincerely,

Scott Milton,
A/Deputy Minister, Highway and Public Works



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

October 4, 2024

We are pleased to present the Fleet Vehicle Agency (FVA) Annual Report for fiscal year 2021-22. 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 second year of the COVID-19 pandemic, FVA adjusted procedures and guidelines to help ensure employee safety while using fleet vehicles. Vehicle supply and demand for rental and purchase were increasingly unpredictable, however, 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. As ever, FVA is committed to working with government departments towards consolidating and modernizing the fleet vehicles and fleet services.

Shanna Epp
Agency Head, FVA

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Fleet Vehicle Agency: Mission

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

Agency Overview

Fleet Vehicle Agency (FVA) is a special operating agency focused on client 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 reports to the Deputy Minister of Highways and Public Works. The Director of Supply Services Branch, who is the FVA Head, oversees planning and strategic direction of the unit. 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 identified departmental transportation needs. Vehicles are assigned on long-term or short-term rentals. 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, as set each year in the FVA Business Plan. 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, 2022.

2021-22 Performance achievements and highlights

The FVA 2021-22 Business Plan goals linked to the three mandates of the agency regarding policy alignment, business efficiency and fiscal effectiveness, and meeting client needs. Here's how we performed on those goals last year:

- Meeting the public policy objectives of the Yukon government, for example, sustainable procurement and carbon emission reduction.
- **Goal:** Increase electric vehicle procurement targeting at least 50% of light duty passenger cars.
 - **Result:** Recognizing supply chain delays and market shortages, FVA tendered for 12 plug-in hybrid compact SUVs and awarded a contract – delivery is now expected in summer 2022. FVA did not tender for passenger cars this year.
- **Goal:** Increase fleet right-sizing, such as telematics data collection using.
 - **Result:** FVA purchased and started planning for installation and integration of 200 automatic vehicle locators (AVL), adding to 53 such devices already in fleet.
- **Goal:** Launch carpooling.
 - **Result:** FVA revived the carpooling initiative and is working with IT to develop an online scheduling app. Work is proceeding slowly due to the pandemic priorities in other areas and user hesitancy for vehicle-sharing.
- Managing delivery of ground transportation services in a business-like manner to ensure that the government's financial resources are used effectively.
- **Goal:** Implement changes to policies and procedures based on the FVA Charter review.
 - **Result:** A charter review was delayed by the pandemic and is now underway. Before submitting changes to Management Board and Cabinet Committee on Priorities and Planning, FVA wants to ensure the results and recommendations from third-party reviews and evaluations of fleet operations in 2022-23 are done and included.
- **Goal:** Develop new rate structure for multi-year increases and maintain sufficient fund balance.
 - **Result:** FVA contracted a fleet management consulting firm to review and recommend fee charge-backs for services and maintain fund balance while addressing the high backlog of aging-out vehicles. The final report will be available in September 2022.
- **Goal:** Review third-party service agreements and approach.
 - **Result:** FVA continued existing agreements for services throughout the year. In February, FVA began a gap analysis on existing systems to identify requirements for additional or changing services. This will be completed in the next year with a recommendation to either replace or enhance current systems.
- **Goal:** Ensure fleet options remain sustainable and financially attractive for clients.
 - **Result:** FVA maintained service delivery to all departments and agencies with minimal changes in fees charged and increased revenues with the higher volume of rentals.

- 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.
- **Goal:** Reduce backlog of aged-out vehicles.
 - **Result:** Pricing for new vehicles has estimated increasing expenditures as FVA replaces older vehicles. To ensure continuity in service delivery, FVA decided to conduct an analysis of current fleet to understand use and utilization cases across departments with results ready in August 2022. This study will inform future years' replacement planning, including swapping gasoline vehicles for zero-emission vehicles where available and suitable.
- **Goal:** Replace minimum 45 vehicles using \$2.5 M from the fund.
 - **Result:** Due to supply chain issues, although FVA tendered for 69 vehicles including 12 zero-emission vehicles, only 13 were received before March 31, 2022.
- **Goal:** Dispose of 65 vehicles.
 - **Result:** FVA disposed of 31 vehicles in 2021-22. Additional optional units for vehicle replacement are being maintained in fleet until new vehicles are received.

FVA client services – transaction summary

Rentals

Agreements processed from April 1, 2021 to March 31, 2022:

- 614 short term pool rentals + 285 courtesy agreements
- 62 monthly pool rentals
- 67 monthly 3rd party rentals
- 89 daily 3rd party rentals
- 105 “SY” rentals (contractors for YG departments)

Repairs

- 1941 work orders for repairs and maintenance
- 339 work orders for non-standard repairs

Vehicle care and management

- 1686 car washes
- 835 fuel payments to Yukon and Inuvik vendors
- 19 parking tickets

Services provided by Fleet Vehicles Agency

The fleet is made up 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 full maintenance and repair services including 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 rates 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 vehicles are cleaned and inspected for safety after short-term rentals and service or maintenance. Emergency equipment is provided standard with all pool vehicles and radio phones are available on request. In response to COVID-19 enhanced cleaning protocols and vehicle use guidelines were implemented in March 2020 and continue through the pandemic.
- FVA manages a fuel card program for purchasing fuel for fleet vehicles and projects. FVA processes the billing and ensures recovery of various taxes to the Department of Finance. Each fleet fuel card can be used as a credit card at the majority of commercial fuel and service suppliers in Yukon for fuel and vehicle supplies. A 2% management fee is charged on direct-billed fuel expenses. Upon request FVA will issue fleet fuel cards as “project cards” for non-FVA vehicles such as snowmobiles, ATVs, graders and plows.
- 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 (rent and management fee), variable charges (such as kilometres), fuel charges, and specific repair-related charges (if applicable).
- FVA offers a roadside assistance program. 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.

The following additional services are also provided by FVA:

- FVA offers 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.
- Vehicle purchase specification information for tender documents and procurement can be shared upon request to Yukon government departments, funded agencies, and corporations.

2021-22 OPERATING PROFILES

Fleet Profile

At the end of fiscal year 2021-22, the fleet was composed of 682 vehicles: 585 were assigned to departments, 83 were used as pool vehicles based in Whitehorse (76), Dawson City (3), and Watson Lake (4), and 9 were awaiting disposal through on-line surplus auction or transfer. 31 vehicles were auctioned in 2021-22 via a new online system (GovDeals.com).

In December 2021, FVA commenced a review of its vehicle replacement program at the same time as establishing benchmarks for utilization of existing vehicles, to be completed by September 2022. Replacement of aged-out (fully amortized) units enhances the overall efficiency of the owned vehicle inventory and is part of annual procurement planning. FVA targeted purchases of 45 vehicles, tendered for 74 vehicles and received just 13 due to supply chain delays.

Table 1 Fleet Profile on March 31, 2022

	2021/2022	2020/2021	2019/2020
Fleet inventory			
Total number of vehicles at start of fiscal year	694	687	674
Vehicles purchased	13	7	31
Vehicles acquired by transfer	6	0	0
Vehicles sold	31	0	18
Total number of vehicles at fiscal year end	682	694	687
Fleet asset value			
Recovery on vehicles sold (000s)	99	0	43
Average return (net of disposal fees) (000s)	3	0	2
Total book value at fiscal year end (000s)	6,388	7,074	8,288
Fully amortized vehicles estimated replacement cost (000s)^{2,3}	12,680	8,033	6,510
Fleet distribution			
Vehicles on annual assignment to departments	590	569	591
Pool vehicles for daily/weekly/monthly assignments	83	101	95
Vehicles retired, awaiting disposal	9	24	1
Fully amortized vehicles pending replacement	354	309	262
Percentage of fleet fully amortized	52%	45%	38%

Note: 1. This table and some previous year information have 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.
 2. Refer to amortization schedule, page 12.
 3. Inflation and market shortages have increased current prices by up to 46% over same model original purchase price.

Zero-emission vehicles (ZEVs) in the fleet

Government of Yukon is committed to increasing the use of electric vehicles in its fleet and aiming for 100% zero-emission vehicles as new acquisitions by 2030. Our Clean Future (September 2020) committed that half of new passenger car purchases for FVA will be zero-emission vehicles and in 2021-22 FVA added two battery-electric (BEV) cars to fleet from local dealerships.

Procurements issued in 2021-22 included **12 plug-in hybrid compact SUVs**. A tender is awarded but none of these units were received by March 31, due to supply chain issues. They are all anticipated for delivery by September 2022. **This will bring FVA's ZEV fleet to 15 vehicles total with 3 cars and 12 SUVs.**

Historically, “Sparky”, a 2016 Chevrolet Spark BEV, was the first step towards reducing greenhouse gas emissions by using electric vehicles in government. Sparky has provided current and direct data on the cost effectiveness and operational value of a BEV compact passenger car in the Yukon over a seven-year period, for use and analysis by the Energy Solution Centre and the Climate Change Secretariat. Data collected from this pilot has helped to inform new policy directions for both EMR incentive programs and HPW fleet vehicle policies to encourage the widespread adoption of EVs by Yukon Government and the public.

Sparky's Energy Highlights

- **Range:** The range of the fully charged vehicle has varied from approximately 130km in summer to under 80km at -30 degrees Celsius.
- **Electricity consumption:** Sparky used approximately 110 kWh of electricity in 2021-22 driving 400 km which is approximately 27.5 kWh/100 km. Using the rate of \$0.1282/kWh (current ATCO Yukon Electric rate), gives a cost for power of approximately \$14 for the year and \$0.04/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.

ZEV infrastructure

The additional of electric vehicles includes a requirement for dedicated charging stations. The initial locations were selected for their program affinity to using available EV models and locations distributed around the city where electric increases in parking lots are possible or planned.

Highways and Public Works initiated a contract to install 22 chargers at four Yukon government buildings in 2021-22. One install was completed at the Main Administration Building/Tourism Business Centre in downtown Whitehorse. There are four Level 2 chargers there now to support the fleet assignment of EVs on short or long term rentals to programs in these two buildings. The remaining chargers will be installed at Education building on Hospital Road, Fleet Vehicle Agency at 9029 Quartz Road, and finally the Airport.

Fuel Usage

In 2021–22, pandemic recovery increased overall kilometres nearer to 2019–20 levels. (See Table 4: Vehicle Utilization, page 7) Increase in fuel efficiency (or Consumption in litres per 100km) can be attributed to increasing use of smaller and newer vehicles as older, less-efficient vehicles are retired. 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 Government of Yukon's commitment in *Our Clean Future*.¹

	2021/2022	2020/2021	2019/2020
Fuel efficiency			
Total kilometres driven (000s)	7,444	6,738	7,888
Litres of fuel consumed (000s)	1,020	1,039	1,198
Consumption in litres per 100km	13.7	15.4	15.2
Fuel cost			
Total fuel cost (000s)	1,498	1,184	1,625
Average price per litre (net)	1.47	1.14	1.36
Emissions			
CO2 emitted in grams per km driven (g/km) ²	314	353	348
Change in CO2 emitted per km driven	-11.2%	1.5%	-

	2021/2022			2020/2021			2019/2020		
Fuel cost distribution	ltrs	\$	\$/km ³	ltrs	\$	\$/km ³	ltrs	\$	\$/km ³
Total fuel(000s)	1,020	1,498	0.20	1,039	1,184	0.18	1,198	1,625	0.21
FVA fuel (000s)	916	1,349	0.20	976	1,111	0.18	1,117	1,513	0.22
3rd party fuel (000s)	103	149	0.17	63	73	0.15	81	112	0.13

Fuel expenses									
Direct-billed fuel recovered (000s)		1,509			1,250			1,579	
(Includes 2% handling charges)									
Short-term fuel (000s) ⁴		19			-41			77	

Note 1. Our Clean Future Commitment T22. "Incorporate fuel efficiency into purchasing decisions for Government of Yukon fleet vehicles beginning in 2020 to reduce greenhouse gas emissions and fuel costs."

Note 2. CO₂ emitted grams per km are rounded estimates using Industry Canada's CO₂ emission value of 2.29 kg/l of fuel.

Note 3. Figures based on rounded data from financial statements.

Note 4. Fuel for short-term rental units is paid by FVA and not recovered directly from users.

Vehicle Utilization

As shown in Table 4 below, there was a 9.9% increase in total kilometres driven in 2021-22 as operations for government programs returned to pre-pandemic levels. The 2021-22 per vehicle utilization rate for FVA-owned vehicles show an increase of just 5.5%. A significant increase of 71.8% in third party kilometres is attributable to fires and floods across the territory last year, and yet is not much higher than the 2019-20 kilometres driven. Program growth and shortages of vehicles for purchase increased reliance on rentals outside FVA's pools.

Table 3 Utilization

	2021/2022	2020/2021	2019/2020
Vehicle Utilization			
Total Kilometres driven (000s)	7,444	6,738	7,888
3rd Party Rentals Kilometres driven (000s)	861	501	853
Owned Fleet Kilometres driven (000s)	6,583	6,237	7,035
Owned Fleet Utilization rate ¹ (per vehicle - 000s of kms)	9.6	9.0	10.3

Table 4 Utilization details by category

Utilization Breakdown	FVA Fleet		3rd Party	
	Units	kms	Units	kms
Car - Sub-Compact	44	170,113	6	8,715
Car - Compact	4	10,205	6	492
Car - Mid-size	57	314,623	8	2,098
SUV - Compact	194	1,356,125	14	23,536
SUV - Mid-size	35	300,830	88	96,274
SUV - Full-size	20	165,783	52	69,953
Pick-up - 4x2 mid-size	2	15,778	0	0
Pick-up - 4x2 full-size	10	75,552	2	27,493
Pick-up - 4x4 mid-size	31	234,690	19	84,344
Pick-up - 4x4 full-size	195	2,384,198	135	510,239
Cargo Van - Minivan	18	132,570	0	0
Cargo Van - Full-size	59	633,065	2	6,736
Cargo Van - Cube Van	0	0	1	6,866
Passenger Van - Minivan	25	128,026	4	2,006
Passenger Van - AWD Crossover	8	99,761	0	0
Passenger Van - Full-Size	11	63,086	16	7,233
			0	0
Truck - Light	16	126,711	1	14,761
Truck - Heavy Duty	2	25,786	0	0

Note 1. 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.

Cost and Revenue Profiles

Expenses (Costs): Total operating costs increase by 22.6% to \$4.7M, attributed in large part to vehicle service and repair costs as vehicles were driven more, third party rentals, body repairs where replacement options are not available, and higher fuel costs in the first months of 2022.

Third party rental costs increased to \$1.008M from \$623K last year, due to vehicle shortages and increased demand due to programming needs.

Administration and salary costs increased by 3.7% due to consultant contracts for reviews, customer service and safety training, equipment repairs and fleet management system enhancements. FVA staff training enhances client services and ensures readiness for responding to client requirements.

Revenues: Total revenues decreased 1.7% to \$4.87M, due to reduced vehicle usage during the pandemic and fewer kilometres driven overall.

Net (losses) Annual Surplus: Net income increased 0.5% in 2021-22 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	2021/2022		2020/2021		2019/2020	
	\$	Per Km ¹	\$	Per Km ¹	\$	Per Km ¹
Vehicle service and repairs (000s)	1,126	0.15	802	0.12	672	0.09
Pool fuel ² (000s)	173	0.02	81	0.01	160	0.02
Assigned fuel ³ (000s)	-154	0.00	-122	0.00	-83	0.00
Third-party vehicle rentals	1,008	0.14	623	0.09	818	0.10
Other operating expenses	179	0.02	81	0.01	55	0.01
Direct Operating Costs	2,332	0.33	1,465	0.23	1,622	0.22
Salaries and administration	887	0.12	855	0.13	788	0.10
Amortization	1,544	0.21	1,564	0.23	1,562	0.20
Total Costs	4,763	0.66	3,884	0.59	3,972	0.52
Revenue Profile						
Legislative appropriation	0	0.00	0	0.00	0	0.00
Vehicle rental revenue	5,489	0.74	4,870	0.72	4,970	0.63
Other revenues (losses)	-43	-0.01	0	0.00	-17	0.00
Total Revenues	5,446	0.73	4,870	0.72	4,953	0.63
Net (losses) Annual Surplus⁴	683	0.07	986	0.13	981	0.11

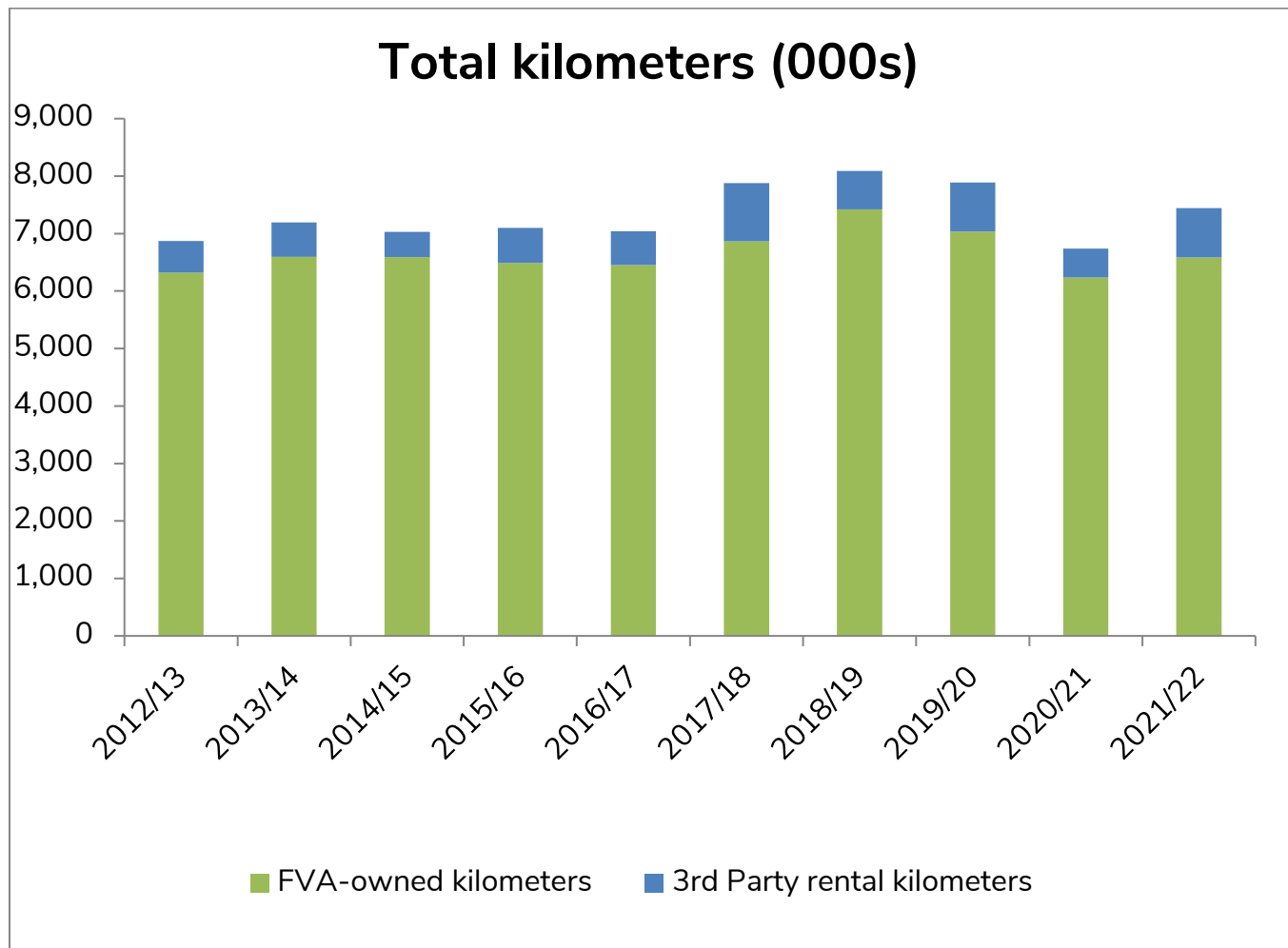
Note 1. Per km figures are for total kilometres driven.

Note 2. Pool Fuel is short-term rental fuel costs that are recovered through kilometre charges and is included in rent revenue.

Note 3. Assigned Fuel consists of the 2% management fee and the residual amount for fuel purchased in one fiscal year not recovered until the next fiscal year.

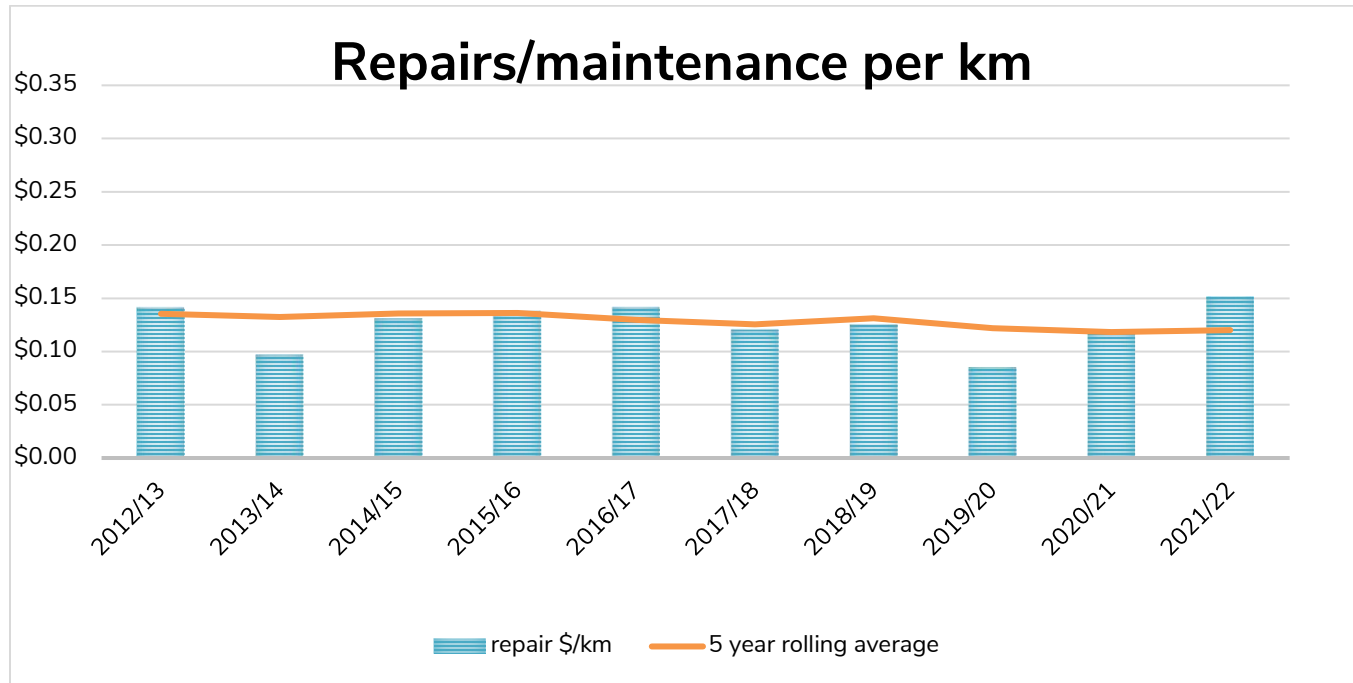
Note 4. Annual Surplus amounts may differ from the audited statements due to rounding.

Operating and financial trends



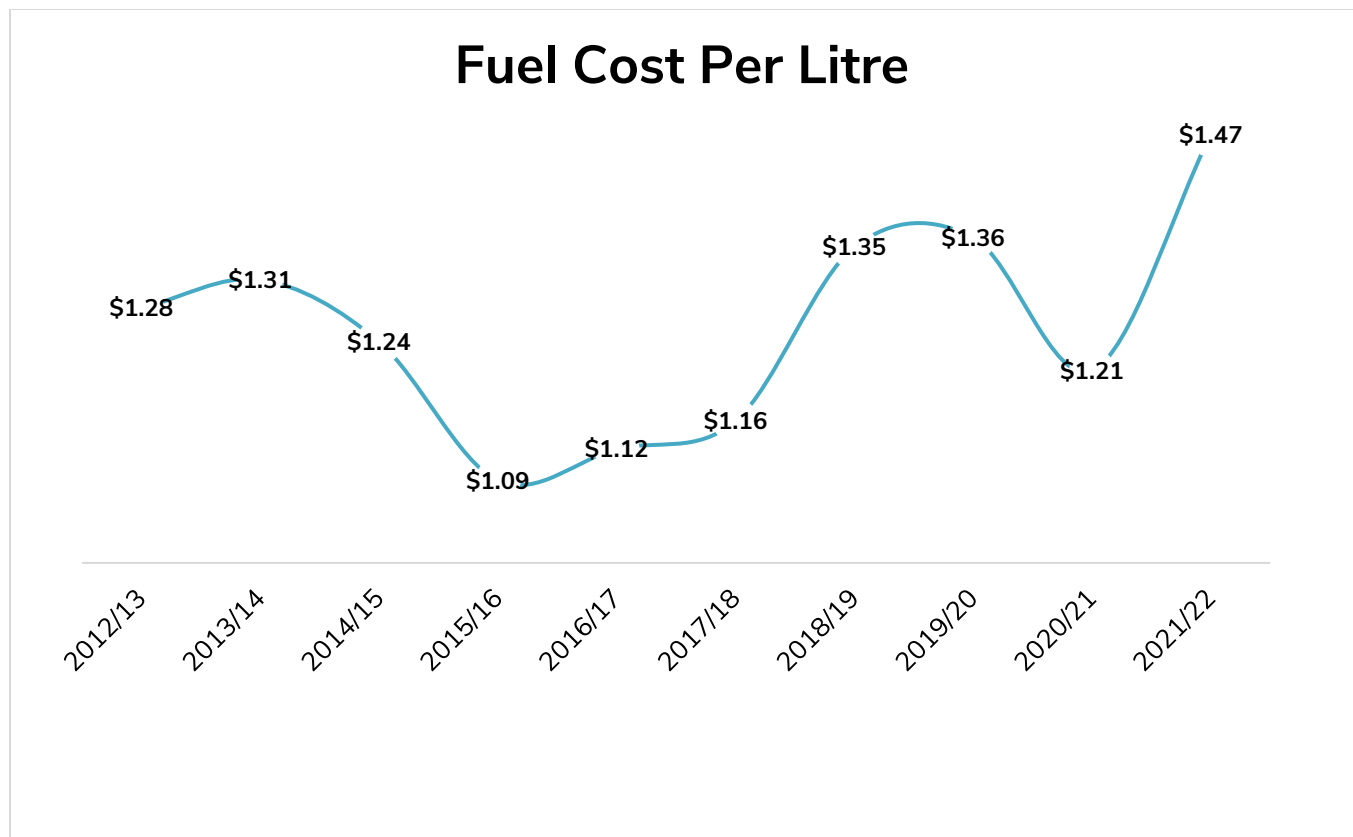
Graph 1 – Total kilometres

Client Demand (Total Kilometres): Total use increased in 2021-22 coming closer to pre-pandemic levels as more Government of Yukon programming and direct service delivery resumed. Total kilometres includes both FVA-owned vehicles and 3rd party rental vehicles.



Graph 2 – Repairs and maintenance per km

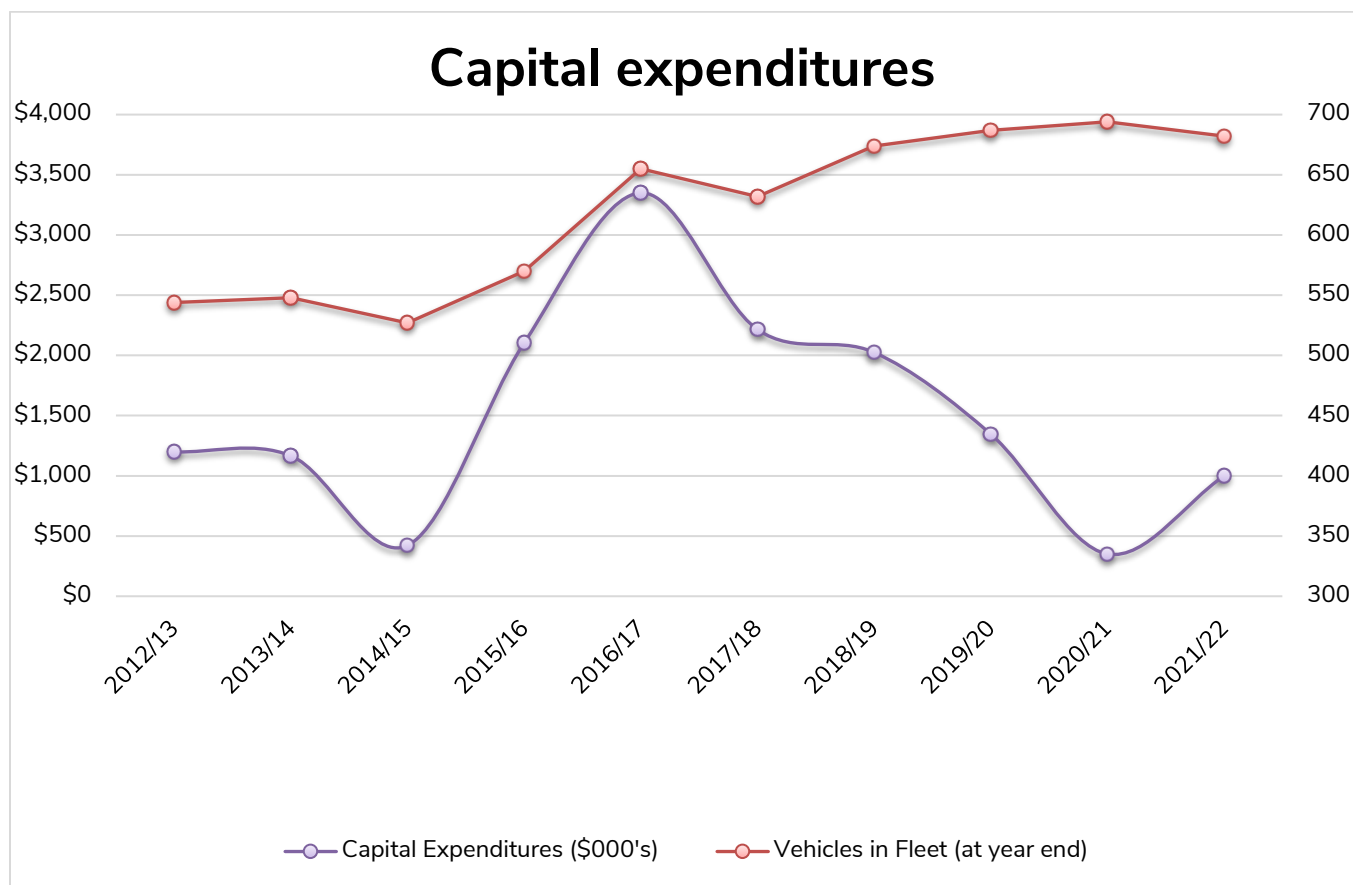
Repair / Maintenance Costs: Fleet maintenance and repair costs rose slightly to the peak of expected range for 2021-22. Repairs and maintenance costs such as regular preventive maintenance services and minor repairs are paid for from variable charges, like mileage. Major repairs and up-fits for added equipment are directly billed back to clients and are included in these final expense totals.



Graph 3 – Fuel cost per litre

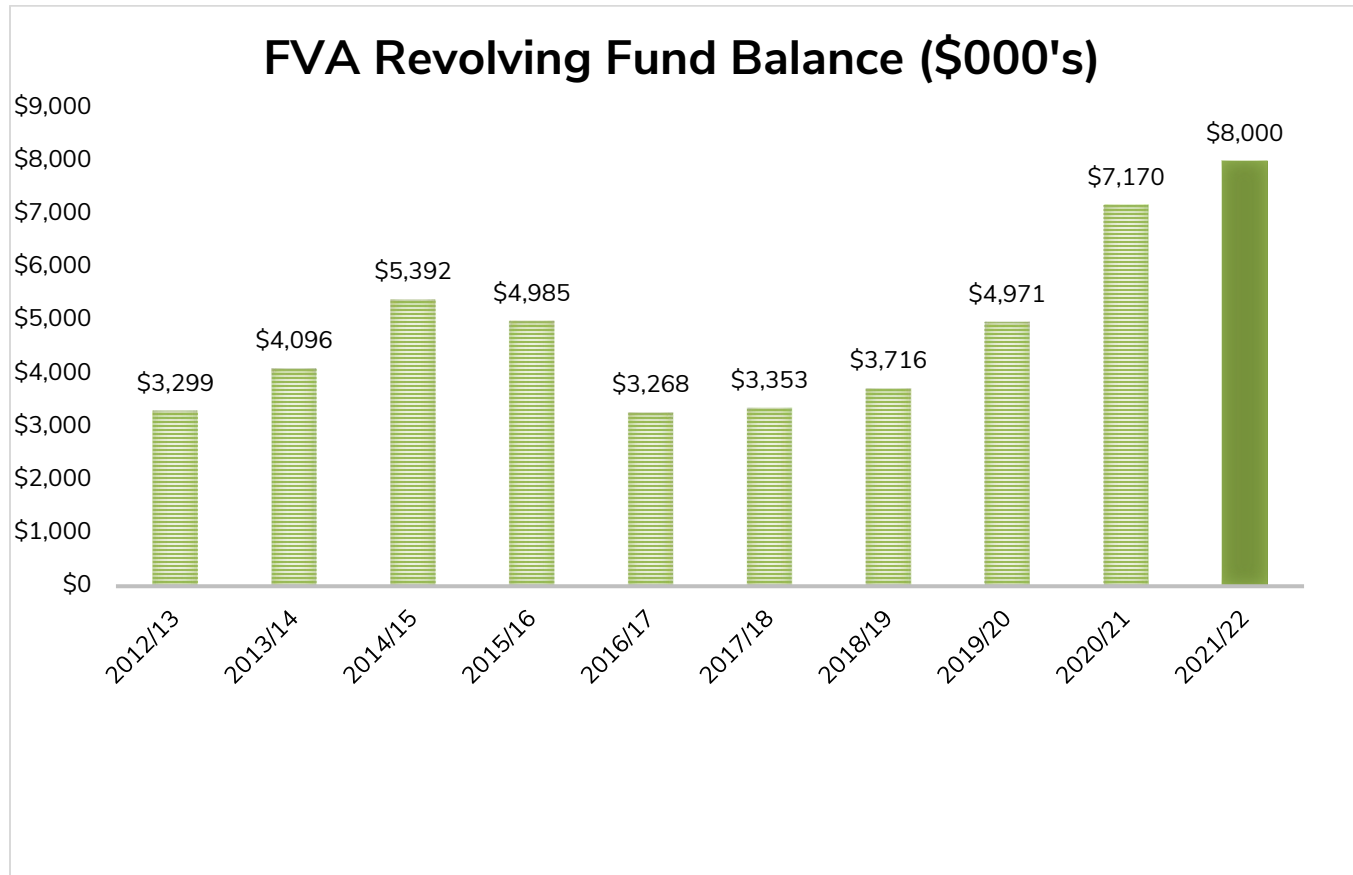
Fuel Cost: The cost of fuel per kilometre driven in 2021-22 has jumped dramatically to historic levels. Our average price per litre this year was nearly \$1.49. Government of Yukon procures regional supply arrangements with local vendors for fuel at reduced rates. The average retail price according to Stats Canada for Whitehorse, Yukon was \$1.54 over the same months.

Source for average retail price: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action>.



Graph 4 – Capital expenditure vs fleet size

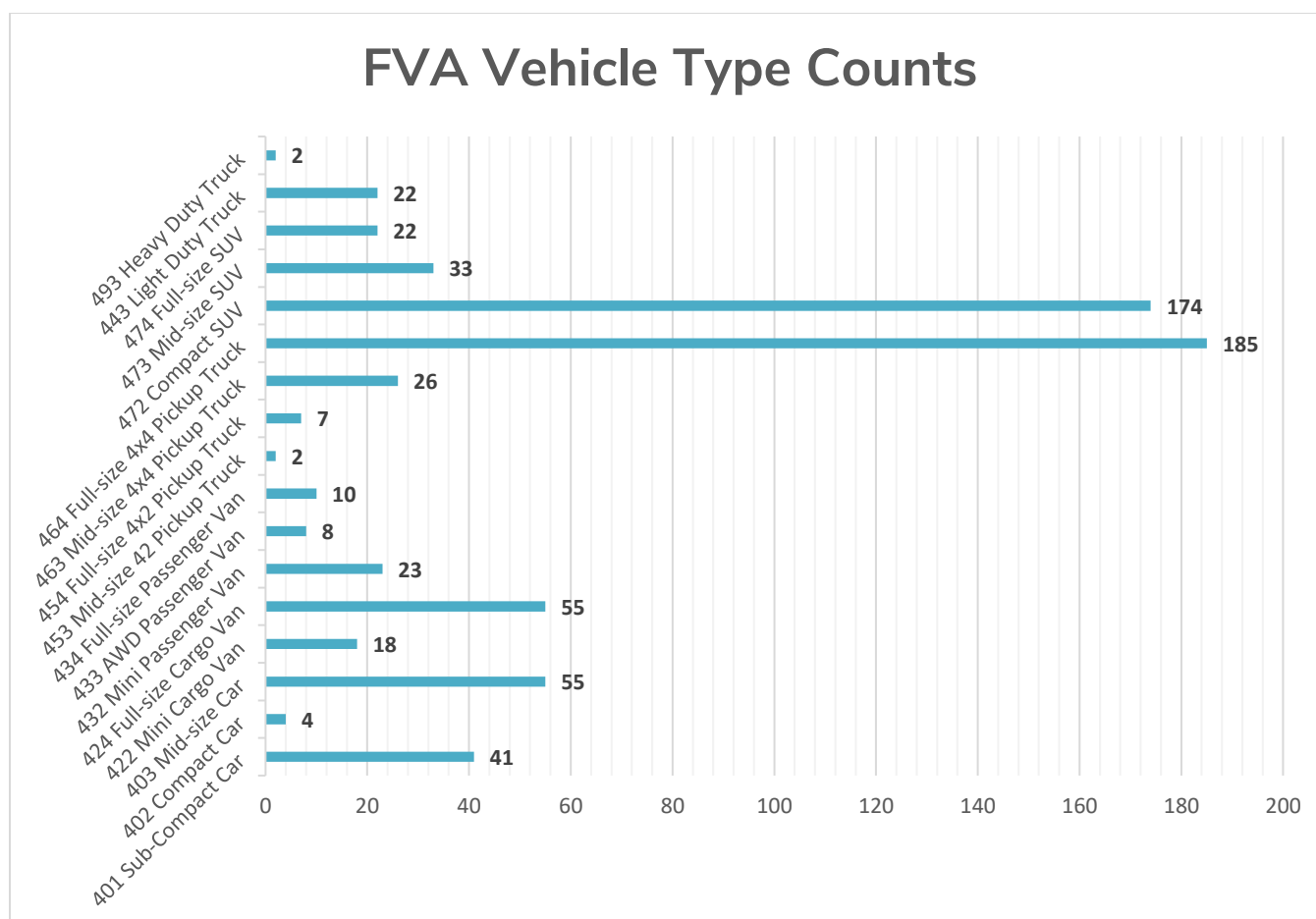
Capital Expenditure (Expenditure vs Fleet Size): The fleet has grown with the size of government and its programs for citizens. Successful vehicle procurements will continue to ensure programs have access to the vehicle required and the timely replacement of retired vehicles when needed, while right-sizing the fleet for maximum utilization. Capital expenditures continued to be lower than anticipated, with tenders awarded for \$3.9M but just under \$1M disbursed for vehicles on delivery.



Graph 5 – Fleet revolving fund balance

Fund balance as recorded in the Public Accounts – see financial statement page FS -11.

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 and has hit the fund cap of \$8.0M in March 2022. Any excess over \$8.0M is returned to General Revenue Fund as per FAA s.47 (1).



Graph 6 – FVA vehicle counts by type

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

*Usage goal is 200,000 kms at retirement
Approximating 20,000 km per year

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

FINANCIAL STATEMENTS

March 31, 2022

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Fleet Vehicle Agency

Financial Statement

March 31, 2022

	2022 (000s)	2021 (000s)
Financial assets		
Accounts receivable (Note 3)	\$ 67	\$ 27
Due from Government of Yukon (Note 5)	7,367	4,978
	<u>7,434</u>	<u>5,006</u>
Liabilities		
Accounts payable and accrued liabilities	<u>1,406</u>	<u>346</u>
Net financial assets	6,028	4,659
Non-financial assets		
Tangible capital assets (Note 4)	<u>6,388</u>	<u>7,074</u>
Accumulated Surplus	\$ 12,416	\$ 11,734
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

March 31, 2022

	2022 (000s)	2021 (000s)
Revenue:		
Vehicle rentals & leases (Note 3)	\$ 5,488	\$ 4,870
Revenue – Other	4	-
Gain (loss) on disposal of tangible capital assets	(46)	-
	<u>5,445</u>	<u>4,870</u>
Expenses:		
Amortization	1,544	1,564
Salaries and administration	887	855
Vehicle service and repairs (Note 3)	1,126	802
Vehicle rentals	1,008	623
Contract services (Note 3)	150	54
Registration and communications	29	27
Fuel	<u>19</u>	<u>(41)</u>
Total expenses	<u>4,763</u>	<u>3,882</u>
Surplus for the year	682	988
Accumulated surplus, beginning of year	<u>11,734</u>	<u>10,746</u>
Accumulated surplus, end of year	<u>\$ 12,416</u>	<u>\$ 11,734</u>

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

Fleet Vehicle Agency

Statement of Changes in Net Financial Assets

March 31, 2022

	2022 (000s)	2021 (000s)
Annual Surplus	\$ 682	\$ 988
Effect of change in tangible capital assets		
Amortization	1,544	1,564
Acquisition of tangible capital assets	(1,002)	(351)
Dispositions	145	-
Increase (decrease) in net financial assets	1,369	2,201
Net financial assets - beginning of year	4,659	2,458
Net financial assets - end of year	\$ 6,028	\$ 4,659

Fleet Vehicle Agency

Statement of Cash Flows

March 31, 2022

	2022	2021
	(000s)	(000s)
Operating transactions		
Annual Surplus	\$ 682	\$ 988
Add (deduct) items not involving cash		
Amortization of tangible capital assets	1,544	1,564
(Gain) loss on disposal of tangible capital assets	46	-
Change in non-cash working capital balances	1,020	796
	<u>3,291</u>	<u>3,348</u>
Capital transactions		
Acquisition of tangible capital assets	(1,002)	(351)
Proceeds on disposal of tangible capital assets	99	-
	<u>(902)</u>	<u>(351)</u>
Financing transactions		
Increase in due from Government of Yukon	(2,389)	(2,997)
	<u>(2,389)</u>	<u>(2,997)</u>
Cash, beginning and end of year	<u>\$ -</u>	<u>\$ -</u>

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

Notes to the Financial Statements

March 31, 2022

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.

The Agency 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. The Agency is accountable for its activities as described in its charter. As a program of the Department, the Agency 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 the Government of Yukon as described below and using the recognition and measurement principles of Canadian Public Sector Accounting Standards.

Amortization

The Agency 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

Notes to the Financial Statements

March 31, 2022

Utility Vehicles

7 years

Assets Other

7-15 years

2. Significant Accounting Policies (continued)

Services provided without charge

The Agency 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 the Agency are employees of the Government of Yukon but are recorded as employees of the agency. Both the Agency and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Agency 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 monthly 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 the Agency'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

The Agency's financial instruments consist of accounts receivable, due from Government of Yukon, and accounts payable. Financial instruments are recorded at cost or amortized cost.

Fleet Vehicle Agency

Notes to the *Financial Statements*

March 31, 2022

Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency, or credit risks arising from its financial instruments.

Notes to the Financial Statements

March 31, 2022

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:

	2022 (000s)	2021 (000s)
Government Departments		
Health and Social Services	\$ 1,323	\$ 1,241
Highways and Public Works	1,177	1,129
Environment	900	826
Community Services	1,012	670
Energy, Mines and Resources	480	468
Education	219	198
Justice	163	149
Tourism and Culture	86	69
Yukon Legislative Assembly	12	13
Executive Council Office	5	6
Finance	1	4
Public Service Commission	4	3
Economic Development	2	-
	<u>5,384</u>	<u>4,775</u>
Corporations		
Yukon Housing Corporation	80	69
Yukon Liquor Corporation	22	26
Other	1	-
	<u>103</u>	<u>95</u>
	<u>\$ 5,487</u>	<u>\$ 4,870</u>

Notes to the Financial Statements

March 31, 2022

3. Related Party Transactions (continued)

Expenses include the following:

	2022 (000s)	2021 (000s)
Vehicle service and repairs		
Transportation	\$ 1,243	\$ 1,043
Charge Back	(320)	(431)
Contract services		
Property Management Division	30	30
	\$ 953	\$ 642

Accounts receivable consists of the following:

	2022 (000s)	2021 (000s)
Yukon Housing Corporation	\$ 27	\$ 18
Yukon Liquor Corporation	2	3
Yukon University	5	6
Other	33	-
	\$ 67	\$ 27

Notes to Financial Statements

March 31, 2022

4. Tangible Capital Assets

	2022			2021
	(000s)			(000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets - Other	\$ 352	\$ 294	\$ 58	\$ 58
Passenger Cars	2,020	1,495	525	570
Cargo Vans	2,640	1,599	1,041	1,241
Passenger Vans	1,162	886	276	391
4 x 2 Pick Up Trucks	205	184	21	22
4 x 4 Pick Up Trucks	6,977	5,429	1,548	2,138
Heavy Duty Trucks	271	127	144	160
Stake Trucks	1,728	680	1,048	570
SUVs	6,235	4,508	1,727	1,924
	\$ 21,590	\$ 15,202	\$ 6,388	\$ 7,074

5. Due from (to) Government of Yukon

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

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

Notes to Financial Statements

March 31, 2022

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, 2022 was \$8,541,250 (March 31, 2021 \$7,172,144.)
- 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. The following schedule shows that this legislative requirement has been met.

	2022 (000s)	2021 (000s)
Opening Balance, April 1	\$ 7,172	\$ 4,971
Revenues from operations	5,445	4,870
(Gain) loss on sale of tangible capital assets	46	-
Proceeds on sale of tangible capital assets	99	
	<u>\$ 12,762</u>	<u>\$9,841</u>
Capital expenditures	1,002	351
Operations and maintenance expenditures	4,763	3,882
Amortization of tangible capital assets	(1,544)	(1,564)
	<u>\$ 4,221</u>	<u>\$ 2,670</u>
Adjustment due to FAA limits	<u>(541)</u>	<u>-</u>
Excess of revenues over expenditures, as defined in section 47(2)	<u>\$ 8,000</u>	<u>\$ 7,172</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, 2022, were \$999,036, (March 31, 2021 \$351,284.)

Notes to Financial Statements

March 31, 2022

- 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.