



**Fleet Vehicle Agency
Annual Report**

2023-24





September 5, 2024

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

Dear Minister Clarke:

I submit for your consideration, the annual report for the Fleet Vehicle Agency (FVA) for the fiscal year 2023–24, which ended on March 31, 2024.

FVA continues to improve operational efficiencies that ensure the sustainability of fleet vehicle requirements and the Vehicle Fleet Revolving Fund. In the 2023–24 fiscal year, FVA supported departments and agencies in meeting their program objectives by supplying and managing cost-effective and appropriate ground transportation options.

I look forward to FVA's continued efforts to increase the availability and use of zero-emission vehicles, reduce fuel consumption and greenhouse gas emissions from petroleum-fueled vehicles, and find greater vehicle utilization opportunities. FVA continues to work with departments to understand their needs for supporting reliable delivery of programs and services to Yukoners.

I want to recognize FVA's management and staff for their firm dedication and commitment to public and client service, which they demonstrate daily.

Sincerely,

Tracy Allen
Deputy Minister



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

July 19, 2024

We are pleased to present Fleet Vehicle Agency (FVA) Annual Report for fiscal year 2023-24. This report describes FVA, the services we provide and our accomplishments as a special operating agency for the year just ended.

FVA strives to provide exceptional customer service to our government clients, working to meet their needs through better use of fleet vehicles and helping reduce department costs on transportation overall. Departments' requirements are fulfilled balancing criticality and cost, always keeping program delivery at the centre.

FVA helps our clients to get more value from their vehicles in the best ways possible. First, we are adding more environmentally friendly vehicles to replace older vehicles. Reduced emissions and lower fuel consumption, means we reduce the environmental impact of travel to get the work done. FVA continues to team up with clients to update and improve how they use the vehicles, so that operations are more efficient and modern. Our commitment underscores the proactive approach to achieve value and enhance environmental stewardship.

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

Katy Mead
Agency Head, FVA

A handwritten signature in blue ink, appearing to read "Luke Sugden", written over a horizontal line.

Luke Sugden
Chief Operating Officer, FVA

TABLE OF CONTENTS

Agency overview.....	1
Performance achievements and highlights.....	2
FVA client services – transaction summary.....	5
Services provided by Fleet Vehicles Agency	6
2023-24 Operating profiles.....	7
Fleet profile.....	7
Zero-emission vehicles (ZEVs).....	8
Automated vehicle locaters (AVLs)	8
Vehicle utilization.....	9
Cost and revenue profiles.....	10
FVA organizational chart.....	12
2023-24 Operating and financial trends.....	13
Graph 1 – Total kilometres 2014 to 2024.....	13
Graph 2 – Repairs and maintenance per km	14
Graph 3 – Fuel cost per litre.....	15
Graph 4 – Fleet size and acquisitions per year.....	16
Graph 5 – Vehicle Fleet Revolving Fund (VFRF) and capital expenditures.....	17
Graph 6 – FVA vehicle counts by type.....	18

2023-24 Financial statements

Statement of financial position.....	FS - 2
Statement of operations and accumulated surplus.....	FS - 3
Statement of changes in net financial assets.....	FS - 4
Statement of cash flows.....	FS - 5
Notes to the financial statements.....	FS - 6

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 the Government. FVA operates under the Department of Highways and Public Works and reports to the Deputy Minister of Highways and Public Works. The FVA head, who is the director of the Supply Services Branch, oversees the unit's planning and strategic direction. FVA adheres to government legislation, policies and directives, while contributing to the department's overall mission and mandate.

FVA manages over 700 light-duty vehicles that fulfil identified departmental transportation needs. Vehicles are assigned to either long-term or short-term rentals. FVA covers the normal operation expenses of the vehicles, while departments are responsible for damages. Capital, operation and maintenance costs are recovered from departments through a service agreement using rental and per-use charge-back fees. These fees are determined annually in the FVA Business Plan. The primary FVA office is in Whitehorse, with additional pool vehicles available in Dawson City and Watson Lake. On March 31, 2024, FVA employed 8.5 permanent and 4 term employees.

Performance achievements and highlights

The FVA 2023-26 Business Plan set goals aligned with the agency's three mandates: policy alignment, business efficiency and fiscal effectiveness, and meeting client needs. Here is a summary of our performance regarding those goals from the past year:

Meeting the public policy objectives of the Government of Yukon, such as sustainable procurement and carbon emission reduction.

- **Goal:** Reduce fleet emissions in balance with program requirements, as per OCF commitments.
 - **Result:** FVA continued adding battery electric vehicles (BEV), receiving 20 of the 36 tendered BEVs (T2/T22). Of the total 60 vehicles purchased, 70% of these vehicles replaced older vehicles and have lower emissions or no emissions (BEVs). Three e-bikes were added bringing e-bike fleet count to eight (T13). EVs now make up 8% of the fleet.
 - **Result:** HPW initiated a contract for site assessments for up to 38 chargers for FVA use at government buildings, with a target completion date of October 1, 2025.
- **Goal:** Implement a car-pooling initiative, potentially including app development.
 - **Result:** A ride-share process was developed and implemented in the Fleet Vehicle Request System (FVRS), meeting the related Our Clean Future goal. App options were explored and rejected for cost at this time.
- **Goal:** Increase client awareness of EV uses and change attitudes about EV capability to operate in a northern climate.
 - **Result:** FVA made new pamphlets to help introduce clients to EVs and their capabilities, emphasizing driving range extensions for various EV models and charging stations.
- **Goal:** Develop safety initiatives, including documentation and policy guidelines.
 - **Result:** FVA continued internal safety program development and promotion, like safe winter driving guidance and tire safety, in coordination with a departmental safety officer working group.

Managing delivery of ground transportation services in a business-like manner to ensure effective use of the government's financial resources.

- **Goal:** Use data captured by AVLs to modernize operations and inform decision-making and policy direction.
 - **Result:** FVA has improved fleet use analytics to offer clients options for vehicle distribution and assignments that better utilize available vehicles and match needs.
 - **Result:** FVA included this data into rates adjustment recommendations for the 2025-28 Business Plan and is meeting with client departments in August 2024 about impacts and options for 2025-26 budget development.

- **Goal:** Complete requirements for fleet management system upgrade.
 - **Result:** FVA merged its plans for a motor pool and asset management system (replacing Keys) into the HPW Mechanical Operations system replacement (replacing Avantis) for greater efficiency and coordination between units.

Meeting the ground transportation needs of customers by delivering services in a customer-oriented manner that allows them to focus on their core business.

- **Goal:** Ensure clients have access to and/or are provided with the financial and operating data they need to make the informed decisions about their vehicle requirements.
 - **Result:** A five-year needs planning template was shared with clients at regular annual one-to-one meetings, during which contact information was updated.
 - **Result:** FVA began development of a Client Relationship Management system (CRM) that will fill a gap in current processes.
 - **Result:** FVA maintained services to all departments and agencies with minimal changes in fees charged and reduce operating expenditures where possible.
 - **Result:** FVA increased procurement of Category 1 vehicles for Wildland Fire, Fire Marshal Office, Carrier Compliance and Emergency Medical Services, to ensure program continuity in these critical services.
- **Goal:** Expand the use of AVLs and use the collected data to track usage, locations, and driving safety across all fleet vehicles over three years to full fleet coverage by March 2026.
 - **Result:** FVA installed an additional 137 AVLs, bringing the total number of AVLs installed to 405. FVA has also been receiving data from pre-installed AVLs in 78 vehicles. This means nearly 60% of the entire light-duty fleet is currently monitored for maintenance, safety and location.
- **Goal:** Communicate with clients about safe and sustainable use of government vehicles in conjunction with other driver safety initiatives and training opportunities.
 - **Result:** FVA continued its initiative in equipping the fleet with AVLs, informing drivers, supervisors and safety coordinators about how they work and how we use the data.
 - **Result:** FVA is collaborating with safety coordinators across departments to best deliver on common training goals to increase vehicle safety on Yukon roads.

FVA client services – Transaction summary

FVA counts how much work we complete in the year to see how well we are meeting client needs and expectations while managing internal operations to forecast amounts. Here's a summary of those transactions:

Rentals

Agreements processed from April 1, 2023, to March 31, 2024:

- 607 assigned to departments.
- 1112 daily short-term pool rentals.
- 50 monthly short term pool rentals.
- 213 courtesy rentals for assigned vehicles while they are in the shop for repair.
- 39 daily third-party rentals for YG operations (excess required).
- 54 monthly third-party rentals for YG operations (seasonal).
- 71 rentals for non-YG employees, contractors or doctor/nurse locum on government business.

Repairs

- 1,075 work orders for repairs and maintenance.
- 215 work orders for non-standard repairs.

Vehicle care and management

- 1,261 car washes at the HPW wash bay.
- 655 fuel payments to Yukon and Inuvik vendors.
- 29 parking tickets paid to City of Whitehorse.

	2023-2024	2022-2023	2021-2022
Agreements processed			
Annual assignments	597	592	590
Monthly pool rentals	50	51	62
Short-term pool rentals	1,112	859	614
Courtesy rentals	213	233	285
Short-term third-party	39	15	89
Monthly third-party	54	63	67
Non-YG third-party	71	93	105
	2023-2024	2022-2023	2021-2022
Vehicle management and repairs			
Work orders for repairs and maintenance	1,075	1,876	1,941
Work orders for non-standard repairs	215	293	339
Car washes at the HPW wash bay	1,261	1,682	1,686
Fuel payments to Yukon and Inuvik vendors	655	707	835
Parking tickets paid to City of Whitehorse	29	23	19

Services provided by Fleet Vehicles Agency

The following services are included with vehicles rented from FVA:

- Maintenance and repair
 - FVA manages full maintenance and repair services, including body damage repairs, tire replacements, and glass repairs for all vehicles in the fleet.
 - Maintenance and repair services are provided by HPW Transportation Maintenance Branch under a service level agreement or by private sector garages under contracts.
 - Courtesy vehicles are often offered during scheduled preventive maintenance or repair.
- Damage charges
 - FVA's mileage rates cover the cost of minor repairs resulting from normal wear and tear.
 - Any damage beyond normal wear and tear is charged back directly to department budgets as per the rental agreements.
- Cleaning and inspection
 - FVA ensures that vehicles are cleaned and inspected for safety after every short-term rental and service or maintenance on assigned vehicles.
 - In some cases, private sector detailers provide deep clean.
 - Emergency equipment is provided with all pool vehicles.
 - Radio phones are available on request.
- Fuel card program
 - FVA manages a fuel card program for purchasing fuel for fleet vehicles and projects.
 - Billing is handled by FVA, including the recovery of various taxes to the Department of Finance.
 - FVA fuel cards are usable as charge cards at most commercial fuel and service suppliers in Yukon.
 - On request, FVA can issue fleet fuel cards as "project cards" for non-FVA vehicles, such as snowmobiles, ATVs, graders, and plows.
- Vehicle usage reports
 - FVA provides customers with monthly vehicle usage reports that detail the kilometres driven and costs incurred for each vehicle.
 - Telematics gathers more information on usage, location, and vehicle engine condition.
 - The costs include fixed charges (rent and management fee), variable charges (such as kilometres driven), fuel charges, and repair-related charges if applicable.
- Roadside assistance
 - FVA offers a roadside assistance program that includes services like flat tire changes, boost services, additional cleaning, and vehicle pickups in Whitehorse and vicinity.
 - Outside Whitehorse, FVA arranges third-party assistance services on request.

The following additional services are also provided by FVA:

- Service level agreements for non-FVA vehicles:
 - FVA offers service level agreements for the management and service of non-FVA vehicles such as Department of Education's activity buses or Community Service's water delivery trucks. This includes telematics, semi-annual PMVI inspections, and cleaning services.
 - FVA also provides parking and key control for the Department of Education's pool of activity buses for Whitehorse schools.
- Vehicle purchase specification information:
 - FVA shares vehicle purchase specification information for tender documents and procurement on request from the government departments, funded agencies, and corporations.

2023-24 Operating profiles

Fleet profile

At the end of fiscal year 2023-24, the fleet held 748 vehicles. Of these, 607 were assigned to departmental clients, 141 served as pool vehicles based in Whitehorse (122), Dawson City (3) and Watson Lake (4), and 10 vehicles were awaiting disposal through online surplus auction or transfer.

FVA keeps the older vehicles through the high demand months of April to October then disposes of the replaced units. 35 vehicles were auctioned via GovDeals.com in 2023-24. Average fleet vehicle age is 8.4 years.

Replacing fully amortized units is an integral part of annual procurement planning to enhance overall inventory efficiency. In 2023-24, FVA tendered for 80 vehicles and purchased 60 vehicles.

Table 1 Fleet profile on March 31, 2024

	2023-2024	2022-2023	2021-2022
Fleet inventory			
Total number of vehicles at the start of fiscal year	721	682	694
Vehicles purchased	60	51	13
Vehicles acquired by transfer	2	1	6
Vehicles sold	35	13	31
Total number of vehicles at fiscal year-end	748	721	682
Fleet asset value			
Recovery on vehicles sold (000s)	90	21	99
Average return (net of disposal fees) (000s)	2.6	1.6	3.2
Total book value at fiscal year-end (000s)	9,767	7,114	6,388
Fully amortized vehicles pending replacement ²	464	427	354
Percentage of fleet fully amortized ²	62%	59%	52%
Fully amortized vehicles estimated replacement cost (000s)^{2,3}	25,503	25,633	8,680
Fleet distribution			
Vehicles on annual assignment to departments	607	592	590
Pool vehicles for daily/weekly/monthly assignments	141	92	83
Vehicles retired, awaiting disposal	12	4	9

Note: 1. This table has been updated to include the estimated replacement cost of fully amortized vehicles and vehicles retired but still pending disposal through auction or transfer.

2. Refer to the amortization schedule on page 17.

3. Inflation and market shortages have increased the purchase price of same-model vehicles by up to 100%.

Zero-emission vehicles (ZEVs)

The Government of Yukon is fully committed to 100% zero-emission new vehicle acquisitions by 2030. As outlined in *Our Clean Future* (September 2020), FVA is now prioritizing purchasing zero emissions vehicles for all new fleet acquisitions where available and suitable.

In 2023-24, FVA tendered for 36 battery electric vehicles (BEVs) for the fleet, adding 15 BEV CUVs, two pickups and three cargo vans by March 31, 2024.

To further reduce CO₂ emissions and promote a healthier lifestyle, FVA has continued to add e-bikes to its fleet. Currently, FVA owns eight e-bikes and departments have expressed interest in having more.

In addition, to further reduce emissions in categories where suitable vehicles are not yet available as EVs, FVA has purchased hybrid electric 4x4 trucks that use battery power generated from fuel around 20% of the time.

ZEV Infrastructure

As Yukon's rebates and regulatory changes support an increase of private business charging stations, FVA is anticipating more access to charging stations for employees using ZEVs. Still, in addition to transit point fast chargers, the Government of Yukon requires some dedicated charging stations to support the distribution of electric fleet vehicles to assigned use areas. More charging stations at "home base" parking lots are planned to ensure overnight battery top-ups for continuous EV use.

In 2023-24, Highways and Public Works initiated a contract to provide electrical engineering assessments for 38 chargers for fleet use at government buildings. FVA already has twelve level 2 chargers at their Whitehorse compound and Education has three at their Lewes Blvd office. The new level 2 chargers will be installed at other YG-owned building locations in Whitehorse, Haines Junction, Dawson and Watson Lake.

Automated vehicle locaters (AVLs)

FVA has AVLs active in 405 vehicles, with 78 vehicles using pre-installed AVL and 137 new installations in 2023-24. The telematics software provider for FVA offers standard and custom reports, such as driver safety, idling times, vehicle utilization, fuel consumption, and CO₂ emissions. This data enables FVA to make informed decisions and provide better advice regarding fleet right-sizing, safety measures and operational objectives. The pre-installed manufacturer AVLs have a higher monthly cost and provide less information, so FVA is working to shift all AVLs to one standard after-market solution.

As per the Privacy Impact Assessment (PIA) for telematics, FVA has been working to create user profiles and grant access to AVL data and reports, which allows supervisors and safety managers across YG to track their vehicles in real-time for dispatch and route planning options or evaluate driving behaviours to encourage safe driving. As the number of connected vehicles and users grows, FVA is exploring how to maximize the benefits of the system for timelier vehicle maintenance and increased utilization on low-use vehicles or rotation in assigned areas.

Vehicle utilization

2023-24 saw an increase in total kilometres driven compared to the previous year. Increased usage is primarily attributable to 2022 model year vehicles being fully deployed and driving more than 500,000 kilometres altogether. The per-vehicle utilization rate for FVA-owned vehicles is increasing slowly.

Third-party kilometres increased by 5.5%, even as total spending on third-party rentals decreased by 18.9%, indicating better usage of these vehicles.

Table 3 Utilization

	2023-2024	2022-2023	2021-2022
Vehicle utilization			
Total kilometres driven (000s)	7,862	7,254	7,444
Third-party rentals kilometres driven (000s)	766	726	861
Owned fleet kilometres driven (000s)	7,096	6,528	6,583
Owned fleet utilization rate ¹ (per vehicle - 000s of km)	9.7	9.3	9.6

Table 4 Utilization details by category

Utilization breakdown	FVA fleet		Third-party	
	Units	kms	Units	kms
Car - sub-compact	38	198,836	7	5,964
Car - compact	3	5,751	3	12,224
Car - mid-size	50	325,683	0	0
SUV - compact	191	1,530,754	12	6,511
SUV - mid-size	52	645,594	62	201,019
SUV - full-size	24	311,726	21	60,510
Pick-up - 4x2 mid-size	1	-	0	0
Pick-up - 4x2 full-size	7	66,375	1	5,015
Pick-up - 4x4 mid-size	29	280,133	1	3,273
Pick-up - 4x4 full-size	214	2,408,316	48	467,874
Cargo van - minivan	18	101,639	0	0
Cargo van - full-size	72	713,166	1	23
Passenger van - minivan	18	126,458	1	487
Passenger van - full-size	14	96,661	5	1,604
Truck - light	21	224,365	0	0
Truck - heavy duty	3	25,309	0	0

Note 1. Owned fleet utilization rate is based on the average number of owned vehicles throughout the year, including vehicles awaiting disposal. FVA aims to increase this utilization figure each year for greater efficiency and sustainability.

Cost and revenue profiles

Expenses (costs): Total non-fuel operating costs increased by 0.2% in 2023-24, accounted for by increased salaries, repairs and maintenance costs, and amortization roughly offset by a decrease in third-party vehicle rentals and other operating.

Fuel cost summaries are problematic for FVA this year due to failure of the fuel card machine in June 2023 causing duplication, out-of-pocket reimbursement to employees, and a variety of challenges that were not resolved until January 2024. Fuel costs were consequently scattered into departmental budgets and not captured as usual by FVA for analysis. Additionally, a delay in billing for recoveries on fuel cards purchases in 2023-24 leads to a large expense for fuel which will show as recovered in 2024-25. Due to these compounded challenges in tracking this, detailed fuel information has not been included in this annual report.

Third-party rental costs went down by 18.9% to \$884,000 compared to the previous year, as FVA reduced the need for seasonal monthly rentals and non-governmental rentals. Every year floods and fires or other emergencies will increase expenses in the rentals area, where demand exceeds FVA's supply of pool vehicles and FVA has improved supply of pool vehicles for seasonal and short-term rentals, at much lower costs to the program areas.

Administration and salary costs grew 10.3% to \$1.19M, in part due to higher salaries of the new collective bargaining agreement and accrued staff pay raises. Other operating expenses decreased by 37.2% to \$212,000, as fees paid to consultants dropped significantly from 2022-23. This category also includes the subscription expenses for the AVL program currently provided in 54% of fleet vehicles and increases rental costs annually by \$300 per vehicle.

Vehicle service and repairs continued to increase in 2023-24, up 9.1% over 2022-23 levels. This increase is largely due to inflation of parts and services costs. As the average age of the fleet has been steadily increasing, increased repair costs are expected, despite adhering to a consistent maintenance program. While current and continuous vehicle procurement at projected levels means costlier vehicles can be replaced with newer, low-maintenance high-efficiency units, this may take two to three more years to show impacts on service and repairs.

Amortization increased by 6.9% in 2023-24, as capital purchases enter the fleet. Currently 62% of vehicles are fully amortized. As annual capital spending continues to replace fully amortized vehicles, amortization expense is expected to increase.

Revenues: Total revenues increased by 4.3% to \$5.92M 2023-24. By moving chargebacks for third party rentals to a recoverable expense only, revenues rose 9.7%, due to the increased vehicle count allowing for more assigned and pool rentals. FVA continues to meet increasing program transportation needs for climate change responses, health and social services like aging in place and expanded in-house service delivery as contract services are replaced.

Net annual surplus/(loss): FVA posted a net loss of \$227,000 in 2023-24, its first loss since 2007-08. This loss can be attributed to the increases in fuel payments as well as more in service and repairs, as revenue outpaced other cost categories. However, projected increases in amortization should continue to have an increasingly negative effect on FVA financial performance. FVA aims to balance revenues to expenditures and ensure as much surplus as possible is spent on vehicle replacements within the \$3.9M cap.

Table 5 Cost and revenue profiles

Cost profile	2023-2024		2022-2023		2021-2022	
	\$(000s)	Per km ¹	\$(000s)	Per km ¹	\$(000s)	Per km ¹
Vehicle service and repairs	1,382	0.18	1,267	0.17	1,126	0.15
Pool fuel ² (000s)	525	0.07	237	0.03	173	0.02
Assigned fuel ³ (000s)	152	0.02	-92	0.00	-154	0.00
Third-party vehicle rentals	884	0.11	1,090	0.15	1,008	0.14
Other operating expenses ⁴	212	0.03	337	0.05	179	0.02
Direct operating costs	3,154	0.41	2,839	0.39	2,332	0.31
Salaries and administration	1,190	0.15	1,079	0.15	887	0.12
Amortization	1,805	0.23	1,689	0.23	1,544	0.21
Total costs	6,149	0.79	5,607	0.77	4,763	0.64
Revenue profile						
Legislative appropriation	0	0.00	0	0.00	0	0.00
Vehicle rental revenue	5,925	0.75	5,709	0.79	5,489	0.74
Other revenues (losses)	-3	0.00	-27	0.00	-43	-0.01
Total revenues	5,922	0.75	5,682	0.79	5,446	0.73
Net (losses) annual surplus⁵	-227	-0.04	75	0.02	683	0.09

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. Includes contract expenses for telecommunications, fleet reviews and project management support services.

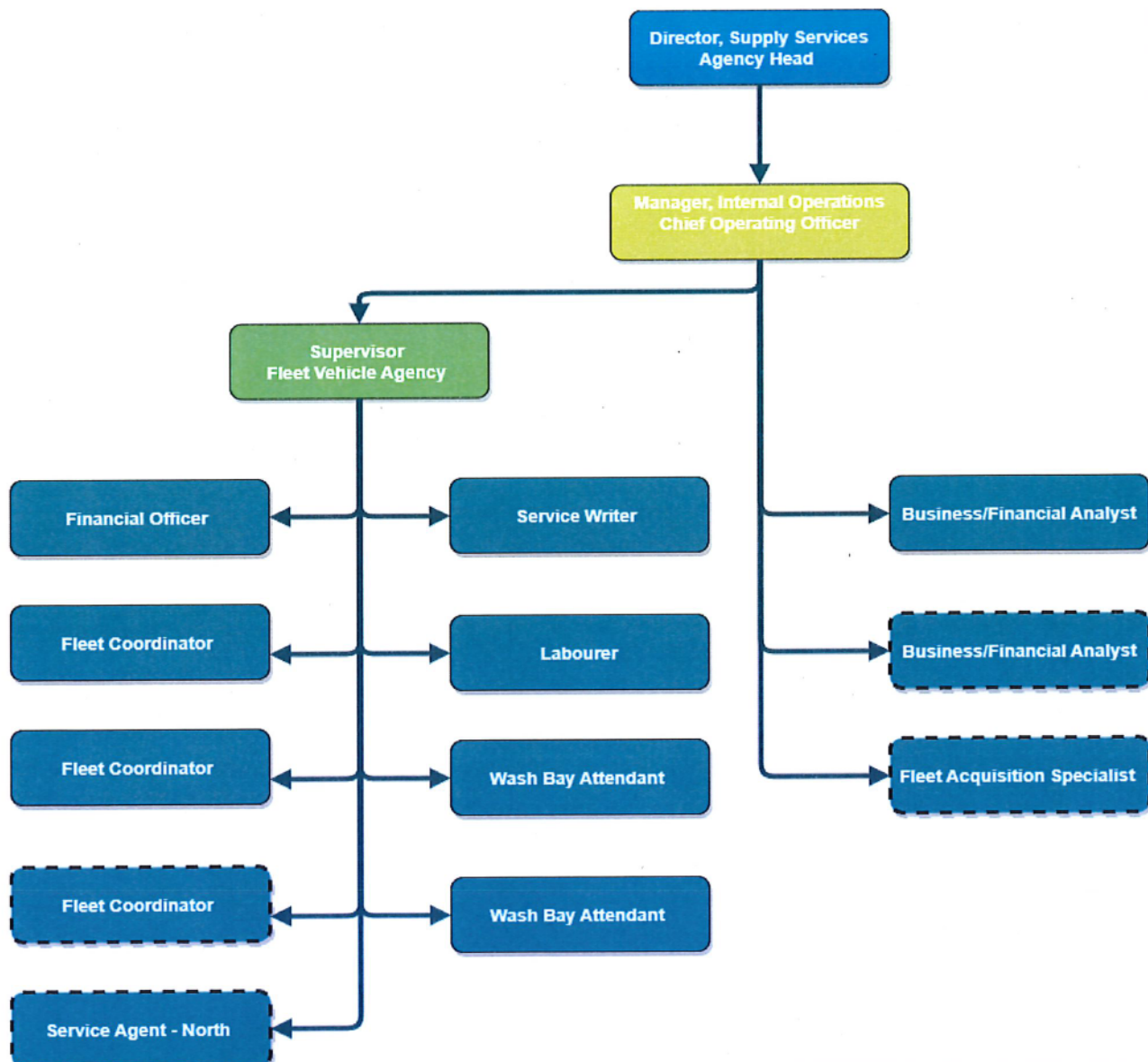
Note 5. Annual surplus amounts may differ from the audited statements due to rounding.

FVA organizational chart

FVA has temporarily expanded services and programs to ensure its ability to deliver mandated programs and services to clients, address the need for vehicle replacements and introduce new systems and management approaches related to Our Clean Future commitments. FVA plans to maintain these added positions for up to two years while the fleet review and recommendations are implemented as per the 2024-27 Business Plan. This does not increase the FTE count allocated, which is 8.5 FTE. Director/Head of FVA is not paid from the revolving fund.

In 2022-23, FVA added these roles as term positions for 1 to 2 years (dotted boxes):

- a procurement specialist to increase specification expertise and long-term planning;
- a northern office fleet coordinator/service writer in Dawson City;
- a training role of fleet coordinator to ensure long term capacity in fleet operation; and
- a second business/financial analyst for the AVL project - GradCorps student, ending April 12, 2024

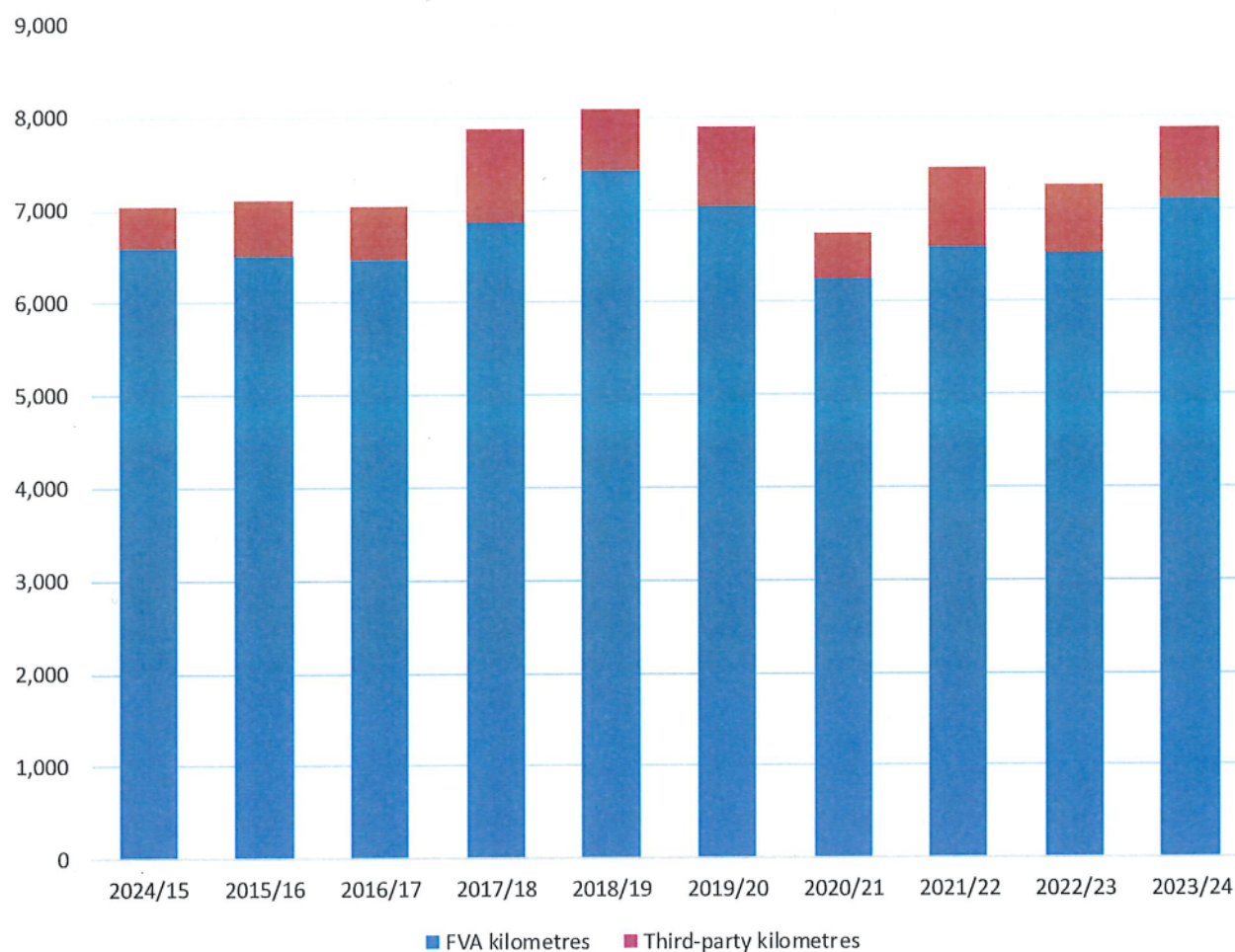


2023-24 Operating and financial trends

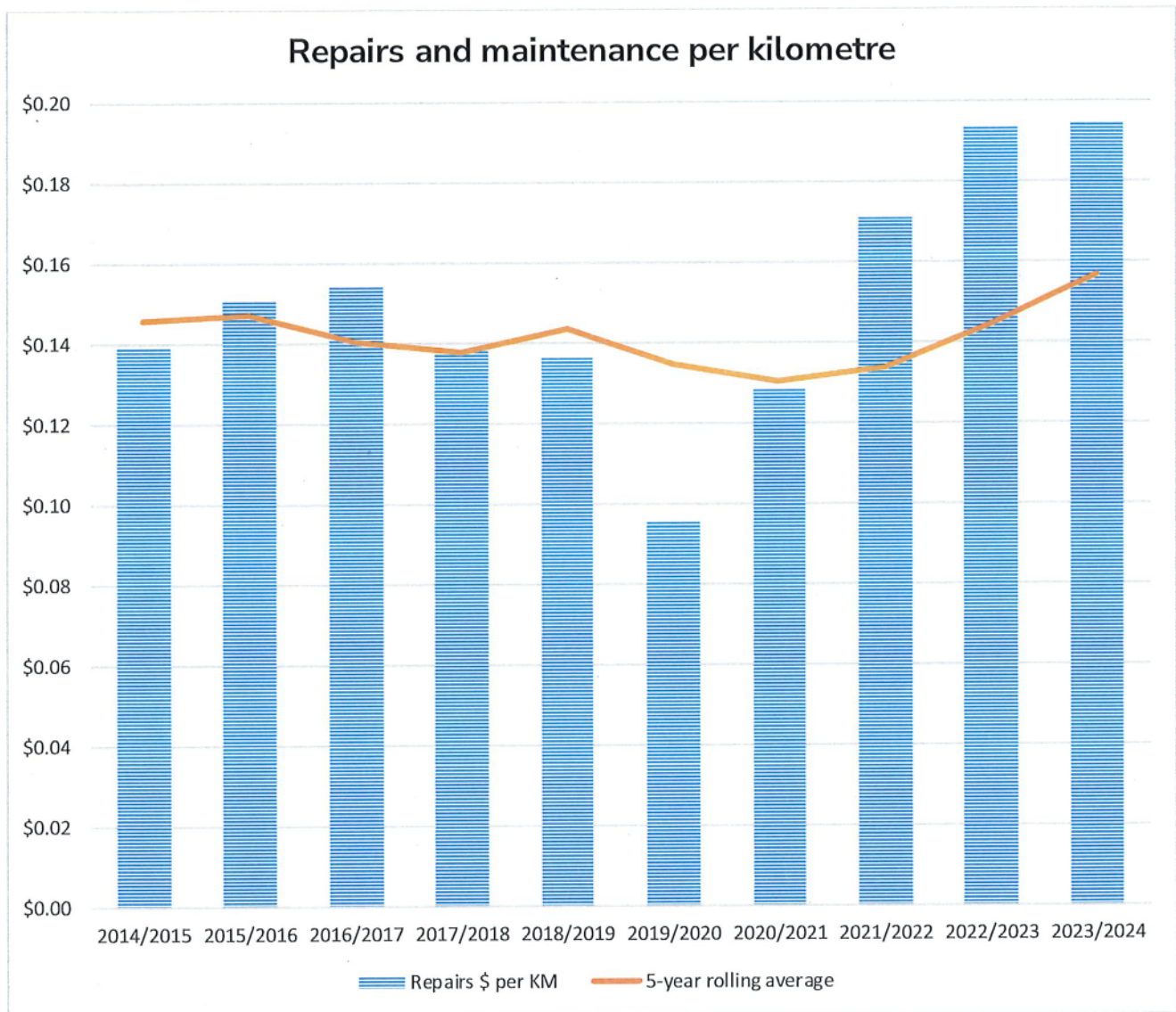
Graph 1 – Total kilometres 2014 to 2024

In 000s	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total Kilometres	7,032	7,101	7,043	7,876	8,091	7,888	6,738	7,444	7,254	7,862
FVA kilometres	6,588	6,492	6,453	6,868	7,421	7,035	6,237	6,583	6,528	7,096
Third-party kilometres	444	609	590	1,008	670	853	501	861	726	766

Total kilometres (000s)



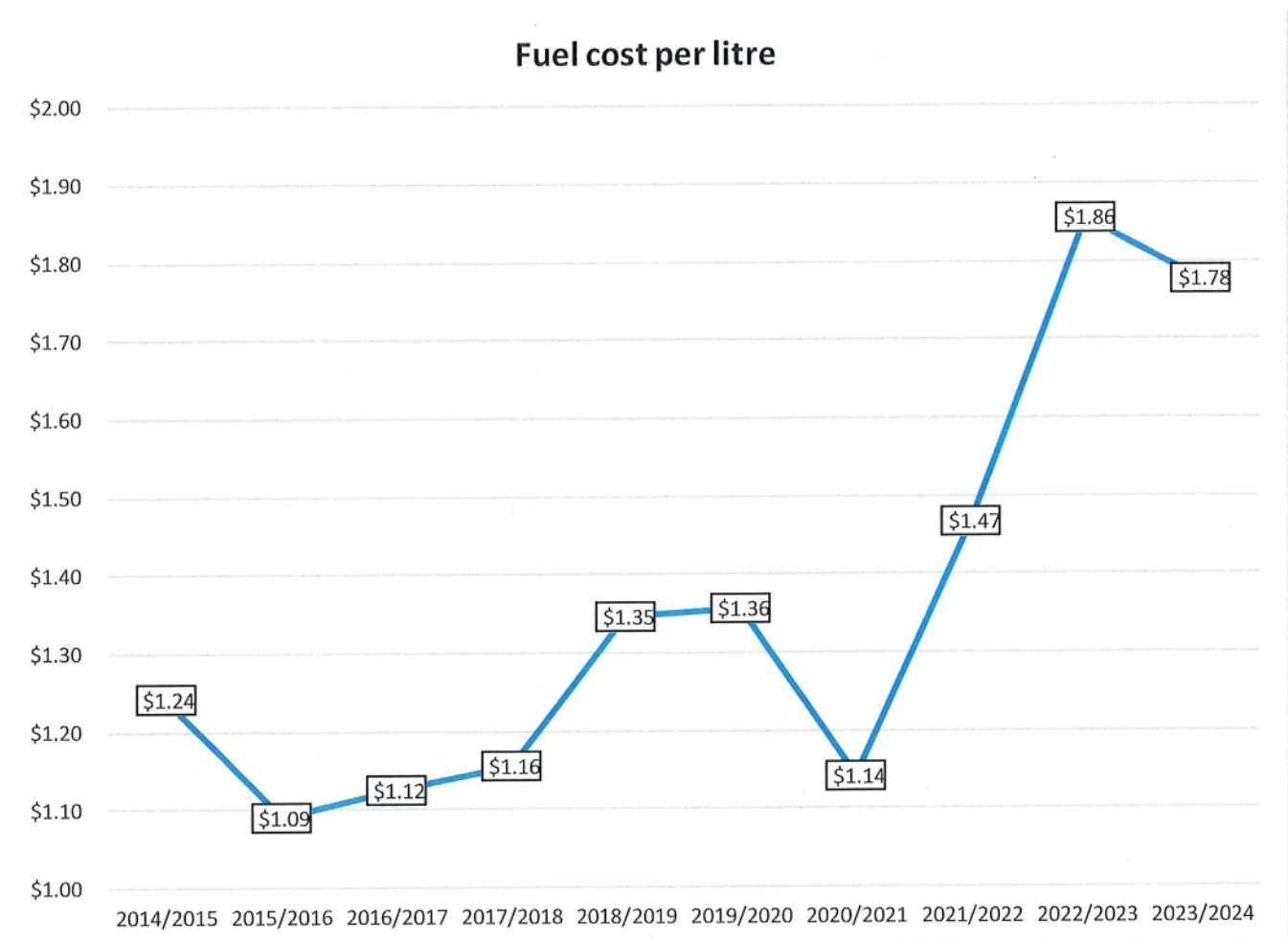
Client demand (total kilometres): FVA kilometres increased in 2023-24, due to a larger fleet size. Changes in third-party kilometres largely corresponds to fire or flood responses, as the FVA pool is unable to accommodate the increased demand in high-season.

Graph 2 – Repairs and maintenance per km

Repair and maintenance costs: Fleet maintenance and repair costs continues an upward trend, still hanging below \$0.16 per kilometre. It rose significantly in 2022-23 as older vehicles required more significant maintenance, like transmissions or suspension, and the pricing on replacement parts went up. This increase reflects the average inflation seen in 2022-23 across Canada. Additionally, in smaller communities the vehicle repairs are now done at private mechanic shops which charge more than in Whitehorse at the Transportation Maintenance central shop.

Regular preventive maintenance services and minor repairs covered by variable charges. 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 average cost of fuel per litre decreased slightly in 2023-24 after increasing to historically high levels in 2022-23. Natural Resources Canada recommends driving less, combining trips and practicing fuel-efficient driving techniques to squeeze more kilometres out of a tank.

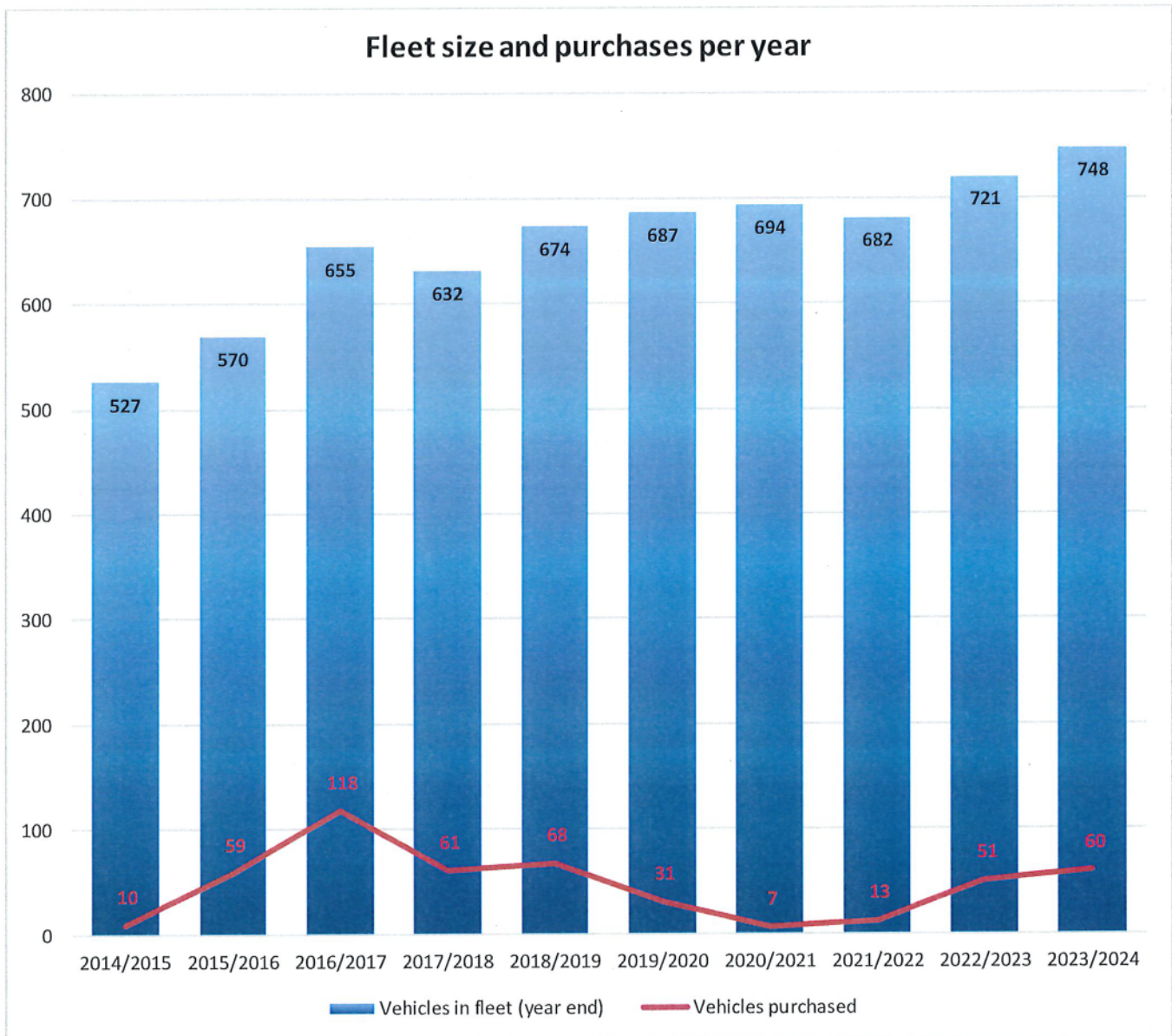
The average price per litre for FVA this year was \$1.78. The Government of Yukon procures regional supply arrangements with local vendors for fuel at reduced rates.

According to Stats Canada for Whitehorse, Yukon, the average retail price of gasoline was \$1.83 over year.

Source for average retail price: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000101>

Carbon taxing in Canada began in 2018, raising the price of gasoline by \$0.044 per litre. For 2023-2024, Canada's carbon tax increased fuel prices by \$0.143 per litre of gasoline and \$0.174 per litre of diesel fuel.

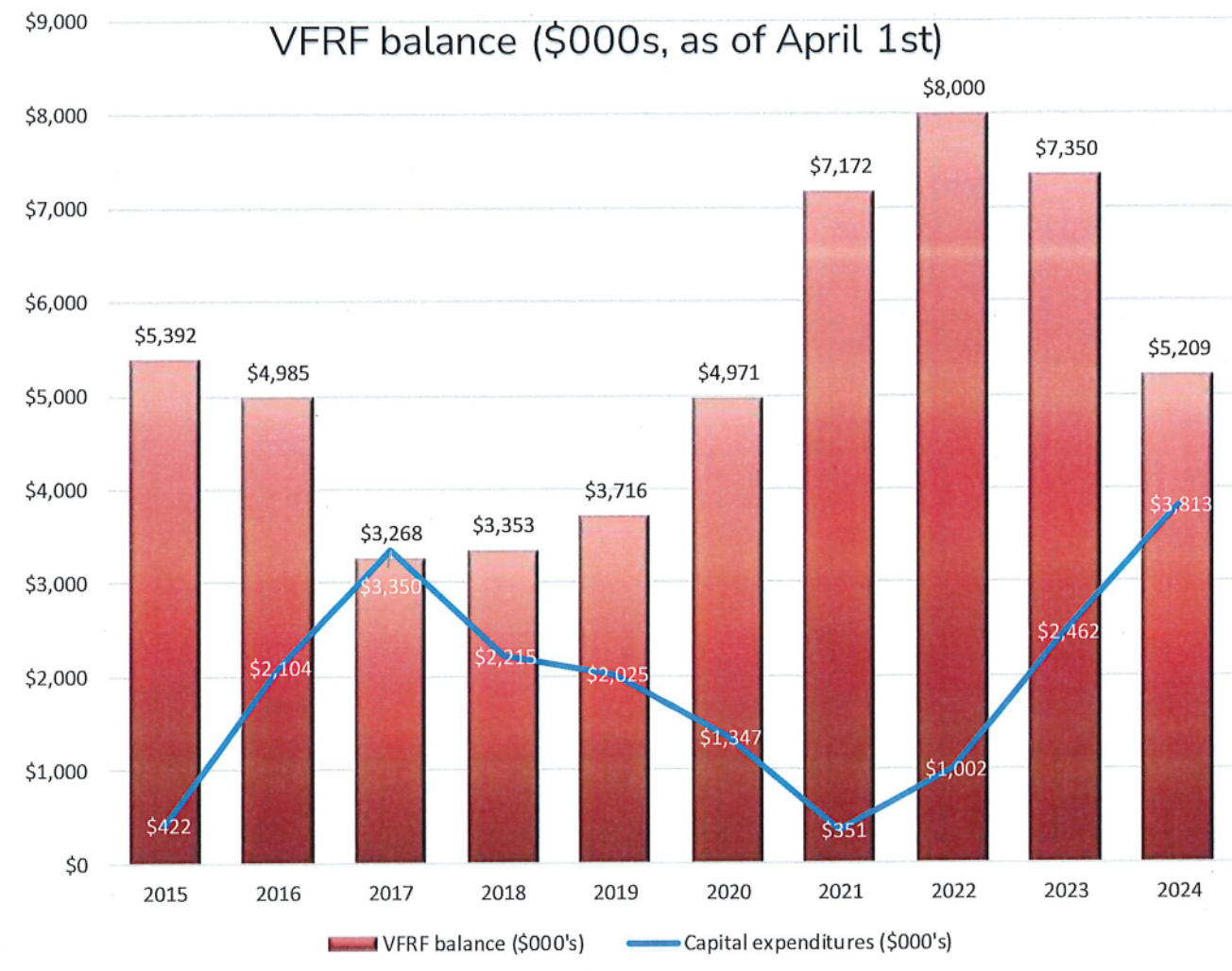
Source for average carbon pricing impacts: <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/carbon-pollution-pricing-federal-benchmark-information/federal-benchmark-2023-2030.html>

Graph 4 – Fleet size and acquisitions per year

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. Fleet size increased as demand for program uses also increased, however the largest growth was in the pool and not departmental assignments as we meet our replacement and OCF goals.

Vehicles purchased: For the second consecutive year, the overall size of the fleet has grown due to increased vehicle acquisitions and comparatively low disposals. Departmental program growth has resulted in an increase in requests for net-new vehicles, which until recently was unmet due to few vehicle purchases during the 2020-21 and 2021-22 fiscal years.

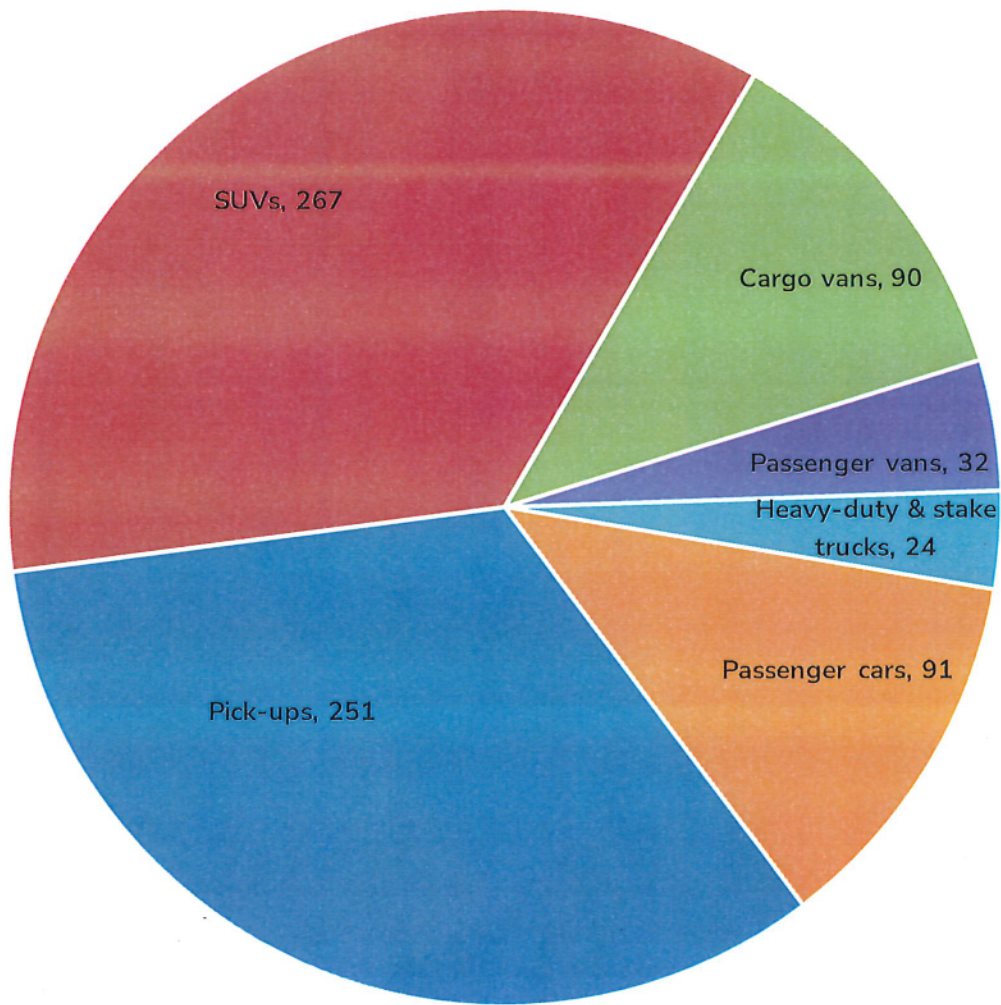
Graph 5 – Vehicle Fleet Revolving Fund (VFRF) and capital expenditures



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

Vehicle Fleet Revolving Fund: The VFRF covers personnel, maintenance and cleaning of vehicles, and the replacement of vehicles. In 2023-24, the VFRF balance decreased significantly, as increased expenses and capital expenditures outpaced minimal growth in recoveries.

Capital expenditures: Capital expenditures are primarily made up of FVA spending on new fleet vehicles. In 2023-24, FVA made over \$3.8M capital purchases, just shy of the FAA \$3.9M limit. FVA acknowledges that annual high capital spending is not sustainable without increased recoveries for the higher cost of vehicle purchase and maintenance.

Graph 6 – FVA vehicle counts by type**FVA vehicle fleet makeup**

Asset type	Amortization schedule	Replacement target
Cars	7 years	10 years
Cargo vans	10 years	10 years
Passenger vans	7 years	10 years
SUVs	7 years	10 years
Pick-ups	6 years	10 years
Medium trucks	10 years	10 years
Heavy trucks	15 years	15 years

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

FLEET VEHICLE AGENCY

(A SPECIAL OPERATING AGENCY OF
HIGHWAYS AND PUBLIC WORKS)

FINANCIAL STATEMENTS

March 31, 2024

Fleet Vehicle Agency

Financial statement

March 31, 2024

	Page
Statement of financial position	FS - 2
Statement of operations and accumulated surplus	FS - 3
Statement of changes in net financial assets	FS - 4
Statement of cash flows	FS - 5
Notes to the financial statements	FS - 6

Fleet Vehicle Agency

Statement of financial position

March 31, 2024

	2024 (000s)	2023 (000s)
Financial assets		
Accounts receivable (Note 3)	\$ 67	\$ 15
Due from Government of Yukon (Note 5)	3,086	5,187
	<u>3,152</u>	<u>5,201</u>
Liabilities		
Accounts payable and accrued liabilities	<u>459</u>	<u>365</u>
Net financial assets	2,694	4,837
Non-financial assets		
Tangible capital assets (Note 4)	<u>9,029</u>	<u>7,114</u>
Accumulated surplus	\$ 11,723	\$ 11,950
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, 2024

	2024 (000s)	2023 (000s)
Revenue		
Vehicle rentals and leases (Note 3)	\$ 5,904	\$ 5,709
Revenue – other	21	0
Gain (loss) on disposal of tangible capital assets	(3)	(27)
	<u>5,922</u>	<u>5,682</u>
Expenses		
Amortization	1,805	1,689
Salaries and administration	1,190	1,079
Vehicle service and repairs (Note 3)	1,382	1,267
Vehicle rentals	884	1,090
Contract services (Note 3)	101	259
Registration and communications	110	62
Fuel	676	145
Other	0	16
Total expenses	6,149	5,607
Surplus for the year	(227)	75
Accumulated surplus, beginning of year	11,950	11,875
Accumulated surplus, end of year	<u>11,723</u>	<u>11,950</u>

Fleet Vehicle Agency

Statement of changes in net financial assets

March 31, 2024

	2024 (000s)	2023 (000s)
Annual surplus	\$ (227)	\$ 75
Effect of change in tangible capital assets		
Amortization	1,805	1,689
Acquisition of tangible capital assets	(3,813)	(2,462)
Dispositions	92	47
Increase (decrease) in net financial assets	(2,143)	(651)
Net financial assets - beginning of year	4,836	5,487
Adjustment due to FAA limits		
Net financial assets - end of year	\$ 2,693	\$ 4,836

Fleet Vehicle Agency

Statements of cash flows

March 31, 2024

	2024 (000s)	2023 (000s)
Operating transactions		
Annual surplus	\$ (227)	\$ 75
Add (deduct) items not involving cash		
Amortization of tangible capital assets	1,805	1,689
(Gain) loss on disposal of tangible capital assets	3	27
Change in non-cash working capital balances	42	(989)
	<u>1,623</u>	<u>802</u>
Capital transactions		
Acquisition of tangible capital assets	(3,813)	(2,462)
Proceeds on disposal of tangible capital assets	90	21
	<u>(3,723)</u>	<u>(2,442)</u>
Financing transactions		
Increase in due from Government of Yukon	2,101	1,639
	<u>2,101</u>	<u>1,639</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, 2024

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 of 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. All assets will be amortized half their annual amortization rate in the year the tangible capital asset is put in productive use.

The estimated normal life for each asset is as follows:

Passenger cars	7 years
Cargo vans	10 years
Passenger vans	7 years
Pick-up trucks - 4 x 2	7 years
Pick-up trucks - 4 x 4	6 years
Heavy duty trucks	15 years
Stake trucks	10 years
Utility vehicles	7 years
Assets other	7-15 years

Notes to the financial statements

March 31, 2024

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 midway through the year. Rental revenue for pooled vehicles is earned monthly. 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 the Government of Yukon and accounts payable. Financial instruments are recorded at cost or amortized cost. 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 statementsMarch 31, 2024

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:

	2024 (000s)	2023 (000s)
Government departments		
Health and Social Services	\$ 1,397	\$ 1,294
Highways and Public Works	1355	1361
Environment	980	951
Community Services	954	863
Energy, Mines and Resources	479	565
Education	247	233
Justice	202	186
Tourism and Culture	99	99
Yukon Legislative Assembly	35	3
Executive Council Office	20	26
Finance	12	12
Public Service Commission	5	5
Economic Development	2	12
	<u>5,787</u>	<u>5,609</u>
Corporations		
Yukon Housing Corporation	91	77
Yukon Liquor Corporation	26	23
Other	0	0
	<u>117</u>	<u>100</u>
	<u>\$ 5,904</u>	<u>\$ 5,709</u>

Notes to the financial statements

March 31, 2024

3. Related party transactions (continued)

Expenses include the following:

	2024 (000s)	2023 (000s)
Vehicle service and repairs		
Transportation	\$ 1,332	\$ 1,260
Charge-back	(285)	(277)
Contract services		
Property Management Department	30	30
	\$ 1,077	\$ 1,013

Accounts receivable consist of the following:

	2024 (000s)	2024 (000s)
Yukon Housing Corporation	\$ 19	\$ 8
Yukon Liquor Corporation	1	2
Yukon University	13	1
Other	33	3
	\$ 67	\$ 15

Notes to the financial statements

March 31, 2024

4. Tangible capital assets

	2024			2023
	(000s)			(000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets - other	\$ 363	\$ 306	\$ 57	\$ 51
Passenger cars	1,824	1,558	267	400
Cargo vans	3,884	1,931	1,953	1,034
Passenger vans	1,335	959	375	240
Pick-up trucks - 4 x 2	182	163	18	18
Pick-up trucks - 4 x 4	9,122	6,166	2,956	1,972
Heavy duty trucks	271	127	144	144
Stake trucks	1,781	1,040	740	894
Utility vehicles	7,832	5,420	2,412	2,360
	\$ 26,592	\$ 17,670	\$ 8,923	\$ 7,114

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 the 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 on 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 the financial statements

March 31, 2024

6. Legislative compliance

The Vehicle Fleet Revolving Fund (the '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, 2024 was \$5,207,243 (March 31, 2023 \$7,349,565).
- 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.

	2024 (000s)	2023 (000s)
Opening balance, April 1	\$ 7,350	\$ 8,000
Revenues from operations	5,922	5,682
(Gain) loss on the sale of tangible capital assets	3	27
Proceeds on the sale of tangible capital assets	90	21
	<u>\$ 13,364</u>	<u>\$ 13,730</u>
Capital expenditures	3,813	2,462
Operations and maintenance expenditures	6,149	5,607
Amortization of tangible capital assets	(1,805)	(1,689)
	<u>\$ 8,157</u>	<u>\$ 6,380</u>
Excess of revenues over expenditures, as defined in section 47(2)	<u>\$ 5,207</u>	<u>\$ 7,350</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, 2024, were \$3,813,039 (March 31, 2023 \$2,462,463).
- 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.