



2016-2017

ANNUAL REPORT



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Highways and Public Works
Office of the Deputy Minister

Box 2703, Whitehorse, Yukon Y1A 2C6 (W-1)
Telephone: 867-667-3732 Fax: 867-393-6218

December 4, 2017

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

Dear Minister Mostyn:

Re: Annual Report for the Fleet Vehicle Agency

I submit for your consideration, the annual report for the Fleet Vehicle Agency for the year ended March 31, 2017.

The Fleet Vehicle Agency is taking important steps to ensure the sustainability of the vehicle fleet and the Fleet Vehicle Agency Revolving Fund. In the 2016-2017 fiscal year the agency continued utilizing the increased capital spending limit introduced in the fall 2014 *Financial Administration Act* amendments. The agency is working with departments to amalgamate non-agency departmental light duty vehicles into the Fleet Vehicle Agency fleet. A consolidated fleet provides additional benefits to government such as bulk vehicle procurement savings and centralized fleet and safety management systems.

The agency lives up to its mission, which is "to help government departments and publicly funded agencies in meeting their objectives, by procuring and managing efficient and affordable ground transportation services".

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McConnell". The signature is fluid and cursive.

Paul McConnell
A/Deputy Minister

enabling yukon

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

February 6, 2018

We are pleased to present the Fleet Vehicle Agency Annual Report for fiscal year 2016-2017. This report describes the agency, the services it provides and its accomplishments as a special operating agency.

Fleet Vehicle Agency strives to continue meeting its commitment to provide value-added service to its clients while working to minimize rate increases, thus reducing budgetary impact on departments.

In May 2016 Fleet Vehicle Agency began a seven-year electric vehicle pilot project in cooperation with the Energy Solution Centre and the Climate Change Secretariat. Project status updates will be provided in future Annual Reports.

The agency will continue to work with government departments toward consolidating and replacing light vehicles not presently managed by the Fleet Vehicle Agency. The agency's primary goal will be to continue to provide high-quality, cost-effective vehicles, and fleet management services, while minimizing maintenance costs and maximizing vehicle efficiency.

Fleet Vehicle Agency management and staff acknowledge and thank the Yukon government and the agency's clients for their support.

A handwritten signature in black ink that reads 'Debra Thibodeau'. The signature is written in a cursive style and is positioned above a solid horizontal line.

Debra Thibodeau
Agency Head

A handwritten signature in black ink that reads 'SERGE THERIAULT'. The signature is written in a cursive style and is positioned above a solid horizontal line.

For Cameron Kos
Chief Operating Officer

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Note: Due to conditions such as delayed vendor billing and client adjustments, the information contained in this report, for the year ending March 31, 2017, is accurate as of July 7, 2017.

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OVERVIEW

Effective April 1, 1996, the Fleet Vehicle Agency began operating as a special operating agency focused on customer service and managing for results.

The agency manages a large part of the government's light vehicle fleet to meet the ground transportation needs of all departments, with a target of managing all light and medium duty vehicles in the Yukon government as stated in the Fleet Vehicle Agency Charter. All costs arising from the normal operation of vehicles are paid by the agency. Costs are recovered through fees charged to the clients who use the vehicles. Vehicles may be assigned on a long-term or short-term basis from the Fleet Vehicle Agency office located in Whitehorse and on a short-term basis from pools located in Dawson City and Watson Lake.

AGENCY STRUCTURE

The agency is a program of the Department of Highways and Public Works, responsible to the Deputy Minister of Highways and Public Works. As such, it is subject to government legislation, policies and directives, and contributes to the overall mission and mandate of the department.

The planning and strategic direction of the agency is overseen by the Chief Operating Officer, reporting to the Director of Supply Services Branch, who is the agency head.

MISSION

The mission of the Fleet Vehicle Agency is:

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

MANDATE

The Fleet Vehicle Agency is accountable for:

- 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.

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.

Vehicles may be rented to government departments and agencies on long-term assignments or on a short-term basis from the Fleet Vehicle Agency office located in Whitehorse and on a short-term basis from pools located in two Yukon communities.

The following services are included with vehicles rented from the agency:

- The agency purchases fuel on behalf of the departments at bulk prices and processes the billing, ensuring recovery of various taxes by the Department of Finance. Each Fleet Vehicle Agency vehicle is assigned its own fleet credit card which is honoured by the majority of commercial fuel and service suppliers in Yukon.
- Vehicles are regularly cleaned and inspected for safety. Emergency equipment is provided with all vehicles and radio phones are provided on request.
- Basic maintenance checks are performed by Fleet Vehicle Agency staff. The agency provides for a full maintenance and repair service which includes body damage repairs. These services are supplied through agreements with internal service providers or through contracts with private sources. A limited number of courtesy vehicles can be provided upon request during periods of scheduled maintenance.
- Rates charged by the agency include the cost of minor accidental repairs. Repeated similar damage repairs or repairs required due to improper use, including staff time and incidental costs, are charged back to user's department.
- With monthly invoices, the agency provides customers with vehicle usage reports. The reports detail who used which vehicle, how many kilometres each vehicle was driven, the number of days each vehicle was used and the costs incurred by the department. Costs consist of fixed charges, variable charges, fuel charges, and accident related charges.
- The agency provides a Roadside Assistance program in Whitehorse and vicinity which includes flat tire changes, booster services, additional cleaning and vehicle pickups. These services are available on a cost recovery basis. Third-party roadside assistance outside of Whitehorse can be arranged through the fleet's service writer upon request.
- The Fleet Vehicle Agency has an electronic interface between the fleet management software named KEYS and the government's General Ledger system which allows for timely payment for the Fleet Vehicle Agency's receivables, smooth reconciliation between the two systems, and facilitates variance reporting by departments.
- The Fleet Vehicle Agency has a web-based online information system named KEYS-Online which provides clients direct access to reports. The reports include usage and billing data, and allow clients to directly input their monthly kilometre information into the KEYS-Online system. This simplifies and speeds up kilometre reporting and the billing process.

The following additional services are also provided by the agency:

- Upon request, the agency provides credit cards to, and will process all related fuel transactions for non-Fleet Vehicle Agency vehicles, government projects, and highway camps.

- Non-Fleet Vehicle Agency vehicle management and administration contracts, consisting of usage monitoring, maintenance, and cleaning, are offered and set up on a case-by-case basis.
- Vehicle purchase specification advice is provided upon request to Yukon government departments, funded agencies, corporations, and non-government organizations.
- Bus parking and key control / issuance are provided to the Department of Education for selected activity buses used by teaching staff.

2016-2017 OPERATING PROFILES

Fleet Profile

At the end of fiscal year 2016-2017, the fleet was composed of 655 vehicles: 478 were assigned to customers, 94 were in pools based in Whitehorse (87), Dawson City (3), and Watson Lake (4), and 83 were awaiting disposal through a surplus auction or transfer. The agency will continue its vehicle replacement program ensuring fully amortized units are replaced in a timely manner to maintain/enhance the overall efficiency and quality of the owned vehicle inventory available.

Table 1: Fleet Profile ⁽¹⁾	2016-2017	2015-2016	2014-2015
Fleet inventory			
Total number of vehicles at start of fiscal year	570	527	548
Vehicles purchased	118	59	10
Vehicles acquired by transfer	0	1	0
Vehicles sold	33	17	31
Total number of vehicles at fiscal year end	655	570	527
Fleet asset value			
Recovery on vehicles sold (\$000's)	80	46	65
Average return - net of disposal fees (\$000's)	2.4	2.7	2.1
Total book value at fiscal yearend (\$000's)	7,594	5,579	4,443
Fully amortized vehicles estimated replacement (\$000's)	7,444	6,759	-
Fleet distribution			
Vehicles on annual assignment to departments	478	462	450
Pool vehicles for daily/weekly/monthly assignments	94	80	68
Vehicles retired awaiting disposal	83	28	9
Fully amortized vehicles pending replacement	299	296	274
Percentage of fleet fully amortized	46%	52%	52%

Note ¹: 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.

The agency manages a number of vehicles which are contained in fragmented departmental fleets. The agency provides maintenance and fuel management services for these vehicles. An ongoing objective is to reduce fragmentation of departmental fleets in the future.

Fuel Usage

There was a slight decrease in overall kilometres driven (see Table 4: Vehicle Utilization, page 4), and a slight decrease in fuel efficiency from the previous year. A factor that contributed to the decrease is the increased average vehicle age (299 fully amortized vehicles at the end of 2016-2017). The fuel economy of older vehicles tends to be worse than that of newer models. To address the fleet age, a new vehicle procurement of approximately 100 replacement vehicles is planned for the 2017-2018 year, as part of a long-term replacement schedule that continues to utilize the new capital spending limit. The limit was increased from \$1.2 million to \$3.9 million in the 2014-2015 *Financial Administration Act* amendments. Additionally, the Fleet Vehicle Agency will continue to remind drivers about the idle policy and efficient driving techniques that can also help increase fuel efficiency and reduce greenhouse gas emissions.

Table 2: Fuel Efficiency	2016-2017	2015-2016	2014-2015
Total kilometres driven (000's)	7,043	7,101	7,032
Liters of fuel consumed (000's)	1,097	1,096	1,058
Consumption in litres per 100 km	15.6	15.4	15.0
Total fuel cost (\$000's)	1,233	1,195	1,314
Average price per litre (net)	\$1.12	\$1.09	\$1.24
CO2 emitted in grams per km driven (g/km) ⁽²⁾	357	354	345
Change in CO2 emitted per km driven	0.9%	2.6%	-

Note ²: CO₂ emitted grams per km are estimated using the Industry Canada CO₂ emission value of 2.29 kg/l of fuel.

Table 3: Fuel Cost Distribution	2016-2017 Actual			2015-2016 Actual			2014-2015 Actual		
	Litres	\$	\$/km ⁽³⁾	Litres	\$	\$/km ⁽³⁾	Litres	\$	\$/km ⁽³⁾
Total fuel used (000's)	1,097	1,233	0.18	1,096	1,195	0.17	1,058	1,314	0.19
Third party fuel (000's)	70	79	0.13	79	89	0.15	52	68	0.15
Fleet Vehicle Agency fuel (000's)	1,027	1,154	0.18	1,017	1,106	0.17	1,006	1,246	0.19
Fuel Cost Recovery									
Direct-billed fuel (\$000's) (includes 2% surcharge)	1,168			1,069			1,246		
Short-term fuel (\$000's)	88			147			92		

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

Vehicle Utilization

As shown in Table 4 below, there was a 0.8% decrease in total kilometres driven in 2016-2017, decreasing to 7,043,000 km from 7,101,000 km in 2015-2016. The 2016-2017 per vehicle utilization rate for Fleet Vehicle Agency owned vehicles shows a small 0.6% decrease compared to a 3% decrease in third party rental utilization.

Table 4: Vehicle Utilization	2016-2017 (000's)	2015-2016 (000's)	2014-2015 (000's)
Total kilometres driven	7,043	7,101	7,032
Third party rentals kilometres driven	590	609	444
Owned fleet kilometres driven	6,453	6,492	6,588
Owned fleet utilization rate ⁽⁴⁾ (000's km)	10.5	11.8	12.2

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

Cost and Revenue Profiles

Expenses (Costs): Total direct operating expenses decreased by 2.4% to just under \$1.6 million.

Fleet Vehicle Agency owned vehicle service and repair costs increased by 1.7% to \$996,000 up from \$979,000. This increase is due to the increased average age of vehicles in the fleet needing repair and upkeep, along with an increase in the rates charged by the Transportation and Maintenance Branch for repair and maintenance.

Third party rental costs decreased by 1.5% to \$457,000, down from \$464,000, due to good availability of required vehicle types in the short-term rental pool.

Administration and salary costs increased by 22.8% primarily due to auxiliary and new staff training as a result of turnover, new cross training, and a financial officer position reclassification. Fleet Vehicle Agency staff cross training allows better internal work coverage during illness and employee leave events.

Revenues: Total revenues increased by 0.9% to \$4.1M, due to the increase in the number of units owned by Fleet Vehicle Agency and rented by departments.

Net (losses) Annual Surplus: Net income decreased 64.1% in 2016-17 to \$283,000 from \$788,000, due largely to increased amortization from new vehicle purchases.

Table 5a: Cost Profile	2016-2017 Actual		2015-2016 Actual		2014-2015 Actual	
	(\$000)	Per km ⁽⁵⁾	(\$000)	Per km ⁽⁵⁾	(\$000)	Per km ⁽⁵⁾
Vehicle service and repairs	996	0.14	979	0.14	920	0.13
Fuels ⁽⁶⁾	88	0.01	147	0.02	92	0.01
Third party vehicle rentals	457	0.06	464	0.07	323	0.05
Other operating expenses	39	0.01	29	0.00	69	0.01
Direct Operating Costs	1,580	0.22	1,619	0.23	1,404	0.20
Salaries and administration	994	0.14	809	0.11	837	0.12
Amortization	1,262	0.18	868	0.12	1,010	0.14
Total Costs	3,836	0.54	3,296	0.46	3,251	0.46
Table 5b: Revenue Profile	2016-2017 Actual		2015-2016 Actual		2014-2015 Actual	
	(\$000)	Per km ⁽⁵⁾	(\$000)	Per km ⁽⁵⁾	(\$000)	Per km ⁽⁵⁾
Legislative appropriation	0	0.00	8	0.00	27	0.00
Vehicle rent revenue	4,128	0.59	4,071	.57	3,867	0.55
Other revenues (losses)	-9	0.00	5	0.00	-16	0.00
Total Revenues	4,119	0.59	4,084	0.57	3,878	0.55
Net (losses) Annual Surplus ⁽⁷⁾	283	0.05	788	0.11	627	0.09

Note ⁵: Per km figures are for total kilometres driven.

Note ⁶: Short-term (pool) rentals fuel paid by Fleet Vehicle Agency from audited financial statement.

Note ⁷: Annual Surplus amounts based on audited actual amounts, not the rounded amounts presented in the report.

Operating and Financial Trends

<p>Client Demand (Total Kilometres):</p> <ul style="list-style-type: none"> Total demand decreased slightly by 0.8% in 2016-2017, following a small increase of approximately 1.0% in 2015-2016. 	<p>Total kilometres (000's)</p>
<p>Repair / Maintenance Costs:</p> <ul style="list-style-type: none"> Fleet maintenance and repair costs increased 1.7% in 2016-2017, due to the increase in the Transportation Maintenance Branch garage repair/maintenance rates and additional repairs required on 299 fully amortized vehicles. 	<p>Repairs/Maintenance per kilometre</p>
<p>Fuel Cost:</p> <ul style="list-style-type: none"> The cost of fuel per kilometre driven in 2016-2017 increased from 2015-2016 largely due to the value of globally traded oil, which was reflected in slightly higher fuel costs. 	<p>Fuel cost per kilometre</p>
<p>Capital Expenditure (Expenditure vs. Fleet Size):</p> <ul style="list-style-type: none"> The fleet has grown proportionally with the size of the Yukon government and its programs. Successful vehicle procurements will continue to ensure the replacement of fully amortized vehicles. 	<p>Capital Expenditures</p>
<p>Fleet Vehicle Agency Revolving Fund Balance:</p> <ul style="list-style-type: none"> The revolving fund balance provides for the replacement of all vehicles at the most optimal age and usage level to ensure uninterrupted client program vehicle support. <p><i>Fund balance as recorded in the Public Accounts.</i></p>	<p>Fleet Vehicle Agency Revolving Fund Balance (\$000's)</p>

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

FINANCIAL STATEMENTS

March 31, 2017



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BDO Canada LLP
Suite 202
9016 Quartz Road
Whitehorse, YT Y1A 2Z5 Canada

Independent Auditor's Report

To the Executive Council Members responsible for the Department of Highways and Public Works

We have audited the accompanying financial statements of Fleet Vehicle Agency, which comprise the Statement of Financial Position as at March 31, 2017, and the Statements of Operations, Accumulated Surplus, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management in accordance with the accounting requirements of the Yukon Government as described in Note 2.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of the Yukon Government, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of Fleet Vehicle Agency as at March 31, 2017 and for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of the Yukon Government as described in Note 2.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are used by the Fleet Vehicle Agency to comply with its reports requirements to the Department of Highways and Public Works. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Fleet Vehicle Agency and the Department of Highways and Public Works and should not be used by any other parties.

BDO Canada LLP

Chartered Professional Accountants

Whitehorse, Yukon

July 27, 2017

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Fleet Vehicle Agency

Statement of Financial Position

March 31, 2017

	<u>2017</u> <u>(000s)</u>	<u>2016</u> <u>(000s)</u>
Financial assets		
Accounts receivable (Note 3)	\$ 26	\$ 21
Due from Government of Yukon (Note 5)	951	3,928
	<u>\$ 977</u>	<u>\$ 3,949</u>
Liabilities		
Accounts payable and accrued liabilities	<u>222</u>	<u>1,478</u>
Net financial assets	\$ 755	\$ 2,471
Non-financial assets		
Tangible capital assets (Note 4)	<u>7,677</u>	<u>5,678</u>
Accumulated Surplus	<u>\$ 8,432</u>	<u>\$ 8,149</u>

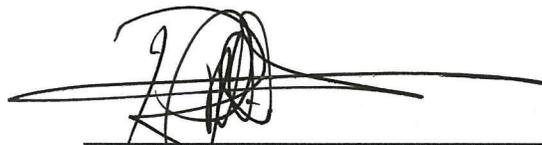
Legislative compliance (Note 6)

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

March 31, 2017

	Budget (000s)	2017 (000s)	2016 (000s)
Revenue:			
Legislative appropriation	\$ -	\$ -	\$ 8
Vehicle rentals & leases (Note 3)	3,822	4,128	4,071
Gain (loss) on disposal of tangible capital assets	10	(9)	5
	<u>3,832</u>	<u>4,119</u>	<u>4,084</u>
Expenses:			
Amortization	994	1,262	868
Contract services (Note 3)	30	30	-
Fuel	102	88	147
Registration and communications	6	9	29
Salaries and administration	871	994	809
Vehicle rentals	391	457	464
Vehicle service and repairs (Note 3)	927	996	979
	<u>\$ 3,321</u>	<u>\$ 3,836</u>	<u>\$ 3,296</u>
Surplus for the year	<u>\$ 511</u>	<u>\$ 283</u>	<u>\$ 788</u>

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

Fleet Vehicle Agency

Statement of Accumulated Surplus

March 31, 2017

	2017	2016
	(000s)	(000s)
Accumulated surplus, beginning of year	\$ 8,149	\$ 7,361
Surplus for the year	283	788
Accumulated surplus, end of year	<u>\$ 8,432</u>	<u>\$ 8,149</u>

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

Fleet Vehicle Agency

Statement of Changes in Net Financial Assets

March 31, 2017

	Budget (000s)	2017 (000s)	2016 (000s)
Annual Surplus	\$ 511	\$ 283	\$ 788
Effect of change in tangible capital assets			
Amortization	994	1,262	868
Acquisition of tangible capital assets	(2,500)	(3,350)	(2,104)
Proceeds on disposal of capital assets	62	80	46
(Gain) loss on disposal of tangible capital assets	(10)	9	(5)
Increase (decrease) in net financial assets	(943)	(1,716)	(407)
Net financial assets - beginning of year	3,599	2,471	2,878
Net financial assets - end of year	\$ 2,656	\$ 755	\$ 2,471

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

Fleet Vehicle Agency

Statement of Cash Flows

March 31, 2017

	<u>2017</u> <u>(000s)</u>	<u>2016</u> <u>(000s)</u>
Operating transactions		
Annual Surplus	\$ 283	\$ 788
Add (deduct) items not involving cash		
Amortization of tangible capital assets	1,262	868
(Gain) loss on disposal of tangible capital assets	9	(5)
Change in non-cash working capital balances	(1,261)	1,225
	<u>293</u>	<u>-</u>
	<u>293</u>	<u>2,876</u>
Capital transactions		
Acquisition of tangible capital assets	(3,350)	(2,104)
Proceeds on disposal of tangible capital assets	80	46
	<u>(3,270)</u>	<u>(2,058)</u>
Financing transactions		
Increase in due from Government of Yukon	2,977	(818)
	<u>2,977</u>	<u>(818)</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.

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

Fleet Vehicle Agency

Notes to the Financial Statements

March 31, 2017

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 Yukon Government as described below and using the recognition and measurement principles of Canadian Public Sector Accounting Standards.

Amortization

Tangible capital assets were originally acquired from the Government of Yukon on April 1, 1996, at their unamortized cost which approximated fair market value. On April 1, 2003, an additional 87 vehicles were transferred from the Government of Canada as a result of devolution and 11 vehicles were transferred from Transportation. In 2015/16 one vehicle was transferred from the Yukon Government at a fair market value of \$10,680. Although the Agency is responsible for the operation and safeguarding of the tangible capital assets, 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 the Financial Statements

March 31, 2017

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
- 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 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 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. 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.

Fleet Vehicle Agency

Notes to the Financial Statements

March 31, 2017

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:

	2017		2016
	(000s)		(000s)
Government Departments			
Tourism and Culture	\$ 102	\$	95
Community Services	567		621
Finance	2		-
Economic Development	15		15
Education	291		291
Energy, Mines and Resources	518		493
Environment	738		684
Executive Council Office	39		25
Yukon Legislative Assembly	-		1
Public Service Commission	6		10
Health and Social Services	963		907
Highways and Public Works	668		664
Justice	107		106
Women's Directorate	-		-
Other	-		28
	<u>4,016</u>		<u>3,940</u>
Corporations			
Yukon Workers Compensation Health and Safety Board	29		48
Yukon Housing Corporation	60		70
Yukon Liquor Corporation	21		21
Other	2		-
	<u>112</u>		<u>139</u>
	<u>\$ 4,128</u>	<u>\$</u>	<u>4,079</u>

3. Related Party Transactions (continued)

Expenses include the following:

Fleet Vehicle Agency

Notes to the Financial Statements

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	2017	2016
	(000s)	(000s)
Vehicle service and repairs		
Transportation	\$ 1,238	\$ 1,030
Charge Back	(381)	(176)
Contract services		
Property Management Agency	30	-
	\$ 887	\$ 854

Accounts receivable consists of the following:

	2017	2016
	(000s)	(000s)
Yukon Workers Compensation Health and Safety Board	\$ 1	\$ 6
Yukon College	7	-
Yukon Housing Corporation	10	8
Yukon Liquor Corporation	8	2
Other	5	5
	\$ 26	\$ 21

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Notes to the Financial Statements

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4. Tangible Capital Assets

	2017			2016
	(000s)			(000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets - Other	\$ 338	\$ 255	\$ 83	\$ 99
Passenger Cars	\$ 2,759	\$ 1,763	\$ 996	\$ 772
Cargo Vans	1,909	1,141	768	845
Passenger Vans	1,101	504	597	342
4 x 2 Pick Up Trucks	288	246	42	46
4 x 4 Pick Up Trucks	5,790	3,777	2,013	1,865
Heavy Duty Trucks	338	106	232	254
Stake Trucks	606	178	428	404
SUVs	5,257	2,739	2,518	1,051
	\$ 18,386	\$ 10,709	\$ 7,677	\$ 5,678

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.

Fleet Vehicle Agency

Notes to the Financial Statements

March 31, 2017

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, 2017 was \$3,270,010, (March 31, 2016 \$4,985,917.)
- 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.

	2017		2016*
	(000s)		(000s)
Opening Balance, April 1	\$ 4,986	\$	5,393
Revenues from operations	4,119		4,075
Legislative Appropriation	-		8
(Gain) loss on sale of tangible capital assets	9		(5)
Proceeds on sale of tangible capital assets	80		46
	<u>9,194</u>		<u>9,517</u>
Capital expenditures	3,350		2,104
Operations and maintenance expenditures	3,836		3,295
Amortization of tangible capital assets	(1,262)		(868)
	<u>5,924</u>		<u>4,531</u>
Excess of revenues over expenditures, as defined in section 47(2)	\$ 3,270	\$	4,986

* 2015/16 numbers have been changed from those in the 2015/16 audited statements to match the Yukon Government's Public Accounts 2015/16.

- 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, 2017, were \$3,350,341, (March 31, 2016 \$2,103,552.)
- 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.