
MARCH

FLEET SERVICES FUND

2022
**FINANCIAL
REPORT**



Public Utility Board

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DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES

FLEET SERVICES FUND

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Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.

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Management Discussion and Analysis

Fleet Services Fund (the Division) is reporting a net operating loss of \$419,000 year-to-date 2022 compared to a net operating loss of \$372,000 recorded for the same time period in 2021. Operating revenues increased \$40,000 and expenses increased \$86,000, resulting in a net increase in net operating loss of \$46,000 compared to 2021.

Revenues

Fleet Services operating revenue is comprised of five categories: Maintenance, Capital Recovery, Administrative Overhead, Fuel and Fuel Loading and Pool Car Rentals. Operating revenues were \$813,000 and \$773,000 at the end of the 1st quarter of 2022 and 2021, respectively.

Maintenance revenues are mainly related to staff labor and were \$444,000 and \$439,000 at the end of the first quarter of both 2022 and 2021, respectively.

Capital recovery revenues are collected on each vehicle and piece of equipment based on anticipated equipment replacement needs for each business unit. Capital recovery revenues were \$68,000 and zero in 2022 and 2021 respectively.

Administrative overhead revenue is the fee charged for each vehicle that is in service. The number of vehicles in service varies from month to month and the rate can vary based on type of vehicle. Administrative Overhead revenue was \$251,000 and \$314,000 in 2022 and 2021, respectively.

Fuel and fuel loading revenues are affected by year to year changes in vehicle usage and fluctuations in fuel prices. Fuel related revenues were \$19,000 and \$15,000 in 2022 and 2021, respectively.

Pool car revenues are based on usage and were \$31,000 and \$5,000 for 2022 and 2021, respectively. The increase is primarily due to an increase in usage due to demand.

Expenses

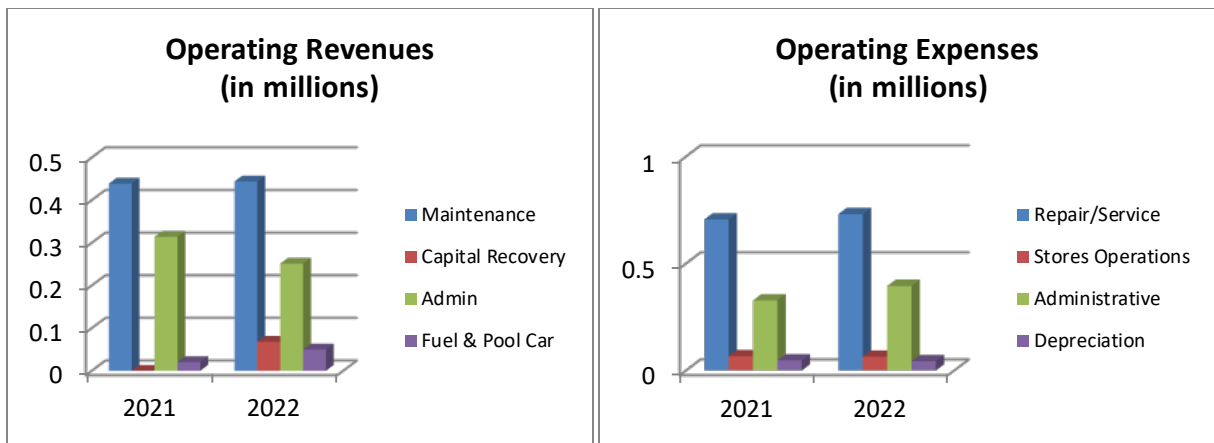
Fleet Services operating expenses are comprised of four major categories: repairs and servicing, stores operations, administration and depreciation. Fleet Services expenses were \$1.2 million and \$1.1 million year-to-date through the first quarter of 2022 and 2021, respectively.

Repairs and servicing expense relates to shop operations which provide preventive and corrective maintenance and repairs to vehicles and pieces of equipment for Tacoma Public Utilities and other service groups. Repair and service expenses were \$730,000 and \$705,000 for 2022 and 2021, respectively.

Stores operation is a parts warehouse maintained by Fleet which had expenses of \$64,000 and \$66,000 in 2022 and 2021, respectively.

Administration expenses were \$394,000 and \$327,000 in 2022 and 2021, respectively.

Depreciation expense was \$43,000 and \$47,000 in 2022 and 2021, respectively.



Non-Operating Revenues (Expenses)

Interest income increased \$211,000 primarily due to the reversal of the 2021 GASB 31 Gain/Loss entry.

There was a gain on disposition of equipment for the first quarter of 2022 of \$6,000 compared to \$368,000 in 2021 for the same time period.

Equity Distribution

Per ordinance number 28688, Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water (collectively “business units”) for funding flexibility. The Division continues to maintain the purchasing and maintenance responsibilities. Fleet Services Fund completed the transfers of the operating division fleet assets to the business units in 2020 and 2021. As of March 31, 2022, all the equity in the fund is the Division’s equity and there is no equity distribution to the business units.

Request for Information

Fleet Services Fund financial statements are designed to provide a general overview of the Division’s finances, as well as to demonstrate the Division’s accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Tacoma, Finance Department, 747 Market Street, Room 132, Tacoma, WA 98402-2773.

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Net Position (Unaudited)
March 31, 2022 and March 31, 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	719,411	719,411
Transportation Equipment	2,428,865	2,489,652
Power-Operated Equipment	70,766	70,766
Accumulated Depreciation	<u>(3,167,451)</u>	<u>(3,035,563)</u>
Total Fixed Assets	668,492	861,167
Construction Work in Progress	<u>68,176</u>	<u>3,378,376</u>
Net Fixed Assets	736,668	4,239,543
CURRENT		
Current Fund Cash & Equity in Pooled Investments	1,036,068	240,354
Materials and Supplies	<u>476,674</u>	<u>380,280</u>
Total Current Assets	1,512,742	620,634
OTHER ASSETS		
Net Pension Asset	<u>-</u>	<u>165,846</u>
TOTAL ASSETS	<u>2,249,410</u>	<u>5,026,023</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	<u>902,102</u>	<u>492,034</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$3,151,512</u></u>	<u><u>\$5,518,057</u></u>

These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report

	<u>2022</u>	<u>2021</u>
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$736,668	\$4,239,543
Restricted for:		
Net Pension Asset	-	165,846
Unrestricted	<u>(2,406,308)</u>	<u>(2,578,653)</u>
TOTAL NET POSITION	(1,669,640)	1,826,736
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	362,337	66,247
Wages Payable	171,339	165,373
Current Pension Withdrawal Liability	<u>249,838</u>	<u>-</u>
Total Current Liabilities	783,514	231,620
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	235,447	261,400
Net Pension Liability	667,073	-
Other Long-Term Liabilities	<u>2,992,367</u>	<u>2,566,294</u>
Total Long-Term Liabilities	3,894,887	2,827,694
TOTAL LIABILITIES	<u>4,678,401</u>	<u>3,059,314</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pension	<u>142,751</u>	<u>632,007</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$3,151,512</u></u>	<u><u>\$5,518,057</u></u>

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City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
March 31, 2022 and March 31, 2021

	YEAR TO DATE					
	MARCH 2022	MARCH 2021	MARCH 2022	MARCH 2021	2022/2021 VARIANCE	PERCENT CHANGE
OPERATING REVENUE						
Maintenance Revenue	\$165,174	\$173,719	\$443,925	\$438,965	\$4,960	1.1%
Capital Recovery	22,616	-	67,848	-	67,848	N/A
Administrative Overhead	83,699	81,991	251,213	314,111	(62,898)	-20.0%
Fuel and Fuel Loading	6,005	5,958	19,178	14,633	4,545	31.1%
Pool Car Rental	2,211	1,773	30,538	5,444	25,094	460.9%
Total Operating Revenue	279,705	263,441	812,702	773,153	39,549	5.1%
OPERATING EXPENSES						
Repairs and Servicing						
Shop Operations	249,598	251,497	727,805	675,396	52,409	7.8%
Outside Services	659	276	2,598	29,854	(27,256)	-91.3%
Total Repairs and Servicing	250,257	251,773	730,403	705,250	25,153	3.6%
Stores Operations	24,251	21,752	63,900	65,949	(2,049)	-3.1%
Administration	132,486	103,617	394,116	327,397	66,719	20.4%
Depreciation	14,374	15,543	43,122	46,658	(3,536)	-7.6%
Total Operating Expenses	421,368	392,685	1,231,541	1,145,254	86,287	7.5%
OPERATING INCOME (LOSS)	(141,663)	(129,244)	(418,839)	(372,101)	(46,738)	-12.6%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	813	(55)	1,470	(209,429)	210,899	100.7%
Gain (Loss) on Disposition of Equipment	-	-	5,657	367,991	(362,334)	-98.5%
Sale of Scrap	-	-	-	6,306	(6,306)	-100.0%
Total Non-Operating Revenues (Expenses)	813	(55)	7,127	164,868	(157,741)	-95.7%
Net Gain/Loss Before Transfers	(140,850)	(129,299)	(411,712)	(207,233)	(204,479)	-98.7%
Transfers In	-	-	-	447,345	(447,345)	-100.0%
CHANGE IN NET POSITION	<u>(\$140,850)</u>	<u>(\$129,299)</u>	(411,712)	240,112	(\$651,824)	-271.5%
TOTAL NET POSITION - JANUARY 1			<u>(1,257,928)</u>	<u>1,586,624</u>		
TOTAL NET POSITION - MARCH 31			<u>(\$1,669,640)</u>	<u>\$1,826,736</u>		

These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Cash Flows (Unaudited)
March 31, 2021 and March 31, 2020

	YEAR TO DATE	
	MARCH 31, 2022	MARCH 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$812,701	\$2,216,156
Cash Paid to Suppliers	(2,068,121)	(1,677,940)
Cash Paid to Employees	(836,931)	(830,672)
Net Cash From Operating Activities	(2,092,351)	(292,456)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	(38)	(416,350)
Disposition of Equipment/Scrap	5,657	4,775
Net Cash From Financing Activities	5,619	(411,575)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,470	(73,309)
Net Cash From Investing Activities	1,470	(73,309)
Net Change in Cash and Equity in Pooled Investments	(2,085,262)	(777,340)
Cash and Equity in Pooled Investments at January 1	3,121,330	16,967,945
Cash and Equity in Pooled Investments at March 31	<u>\$1,036,068</u>	<u>\$16,190,605</u>

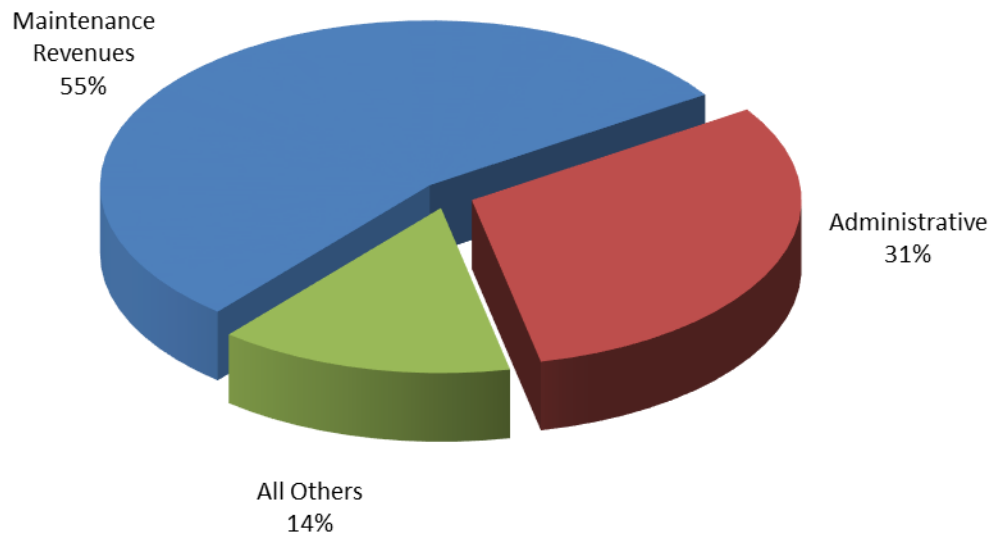
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	YEAR TO DATE	
	MARCH 31, 2021	MARCH 31, 2020
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	(\$418,839)	(\$142,531)
Depreciation Expense	43,122	927,107
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:		
Accounts Receivable	-	200,778
Materials and Supplies	(741)	(3,705)
Accounts Payable & Other	(1,753,204)	(1,329,654)
Absences Payable	37,311	55,549
Total Adjustments	(1,673,512)	(149,925)
Net Cash From Operating Activities	(\$2,092,351)	(\$292,456)

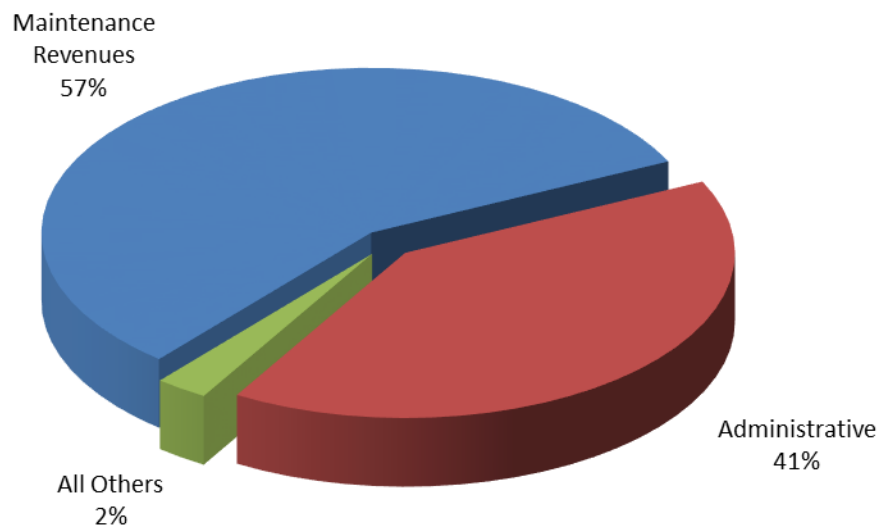
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Supplemental Data

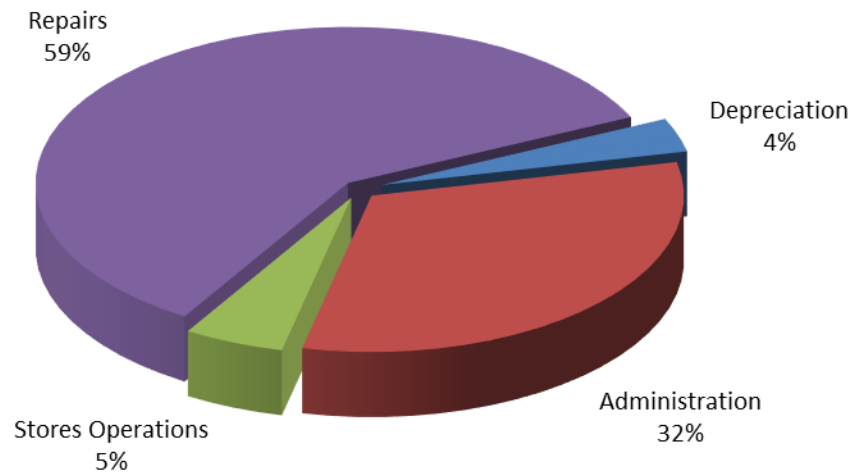
TOTAL OPERATING REVENUES
Year to Date - March 2022 (\$812,702)



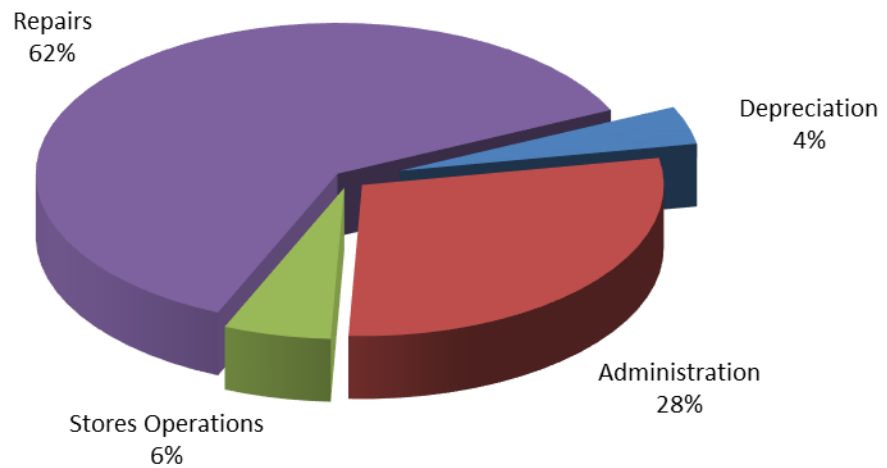
TOTAL OPERATING REVENUES
Year to Date - March 2021 (\$773,153)



TOTAL OPERATING EXPENSES
Year to Date - March 2022 (\$1,231,541)



TOTAL OPERATING EXPENSES
Year to Date - March 2021 (\$1,145,254)





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