
MARCH

FLEET SERVICES FUND

2024
**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 is reporting a net operating loss of \$86,000 year-to-date 2024 compared to a net operating loss of \$184,000 recorded for the same time period in 2023. Operating revenues increased \$202,000 and expenses increased \$104,000 respectively, resulting in a net decrease in net operating loss of \$98,000 compared to 2023.

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 \$1.3 million and \$1.1 million at the end of the 1st quarter of 2024 and 2023 respectively.

Maintenance revenues are mainly related to staff labor and were \$886,000 and \$792,000 at the end of the first quarter of both 2024 and 2023 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 \$124,000 and zero in 2024 and 2023, 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 \$257,000 and \$250,000 in 2024 and 2023, 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 \$21,000 in both 2024 and 2023.

Pool car revenues are based on usage and were \$13,000 and \$37,000 for 2024 and 2023, respectively. The decrease is primarily due to a decrease in usage due to demand.

Expenses

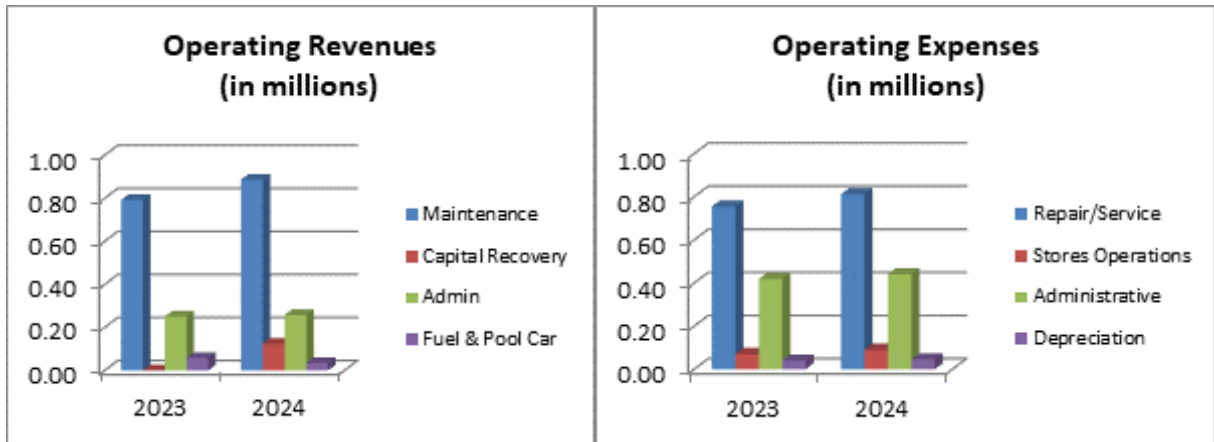
Fleet Services operating expenses are comprised of four major categories: Repairs and service, stores operations, administration and depreciation. Fleet Services expenses were \$1.4 million and \$1.3 million year-to-date through the first quarter of 2024 and 2023, respectively.

Repairs and service 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 \$812,000 and \$755,000 for 2024 and 2023, respectively.

Stores operation is a parts warehouse maintained by Fleet which had expenses of \$91,000 and \$71,000 in 2024 and 2023, respectively.

Administration expenses were \$441,000 and \$419,000 in 2024 and 2023, respectively.

Depreciation expense was \$45,000 and \$40,000 in 2024 and 2023, respectively.



Non-Operating Revenues (Expenses)

There was interest income for the first quarter of 2024 of \$10,000 compared to \$9,000 in 2023 for the same time period.

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, 2024 and March 31, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	816,064	804,032
Transportation Equipment	2,477,206	2,482,592
Power-Operated Equipment	70,766	70,766
Accumulated Depreciation	<u>(3,196,131)</u>	<u>(3,222,729)</u>
Total Fixed Assets	784,806	751,562
Construction Work in Progress	<u>466,712</u>	<u>1,958</u>
Net Fixed Assets	1,251,518	753,520
CURRENT		
Current Fund Cash & Equity in Pooled Investments	1,259,584	1,584,335
Materials and Supplies	<u>676,510</u>	<u>629,369</u>
Total Current Assets	1,936,094	2,213,704
OTHER ASSETS		
Net Pension Asset	<u>-</u>	<u>1,351,730</u>
TOTAL ASSETS	<u>3,187,612</u>	<u>4,318,954</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	<u>1,495,922</u>	<u>743,280</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$4,683,534</u></u>	<u><u>\$5,062,234</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>2024</u>	<u>2023</u>
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$1,251,518	\$753,520
Restricted for:		
Net Pension Asset	-	1,351,730
Unrestricted	<u>(948,934)</u>	<u>(2,060,649)</u>
TOTAL NET POSITION	302,584	44,601
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	62,487	104,064
Wages Payable	90,524	82,908
Current Pension Withdrawal Liability	249,838	249,838
Others	<u>10,643</u>	<u>25,340</u>
Total Current Liabilities	413,492	462,150
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	288,354	266,709
Net Pension Liability	1,158,975	-
Other Long-Term Liabilities	<u>2,492,691</u>	<u>2,742,529</u>
Total Long-Term Liabilities	3,940,020	3,009,238
TOTAL LIABILITIES	<u>4,353,512</u>	<u>3,471,388</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pension	<u>27,438</u>	<u>1,546,245</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$4,683,534</u></u>	<u><u>\$5,062,234</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, 2024 and March 31, 2023

	YEAR TO DATE					
	MARCH 2024	MARCH 2023	MARCH 2024	MARCH 2023	2024/2023 VARIANCE	PERCENT CHANGE
OPERATING REVENUE						
Maintenance Revenue	\$242,773	\$305,753	\$886,266	\$792,174	\$94,092	11.9%
Capital Recovery	41,412	-	124,236	-	124,236	N/A
Administrative Overhead	85,926	83,687	257,381	250,302	7,079	2.8%
Fuel and Fuel Loading	6,619	7,784	21,225	21,051	174	0.8%
Pool Car Rental	-	12,788	13,187	37,089	(23,902)	-64.4%
Total Operating Revenue	376,730	410,012	1,302,295	1,100,616	201,679	18.3%
OPERATING EXPENSES						
Repairs and Servicing						
Shop Operations	284,835	265,690	811,478	750,094	61,384	8.2%
Outside Services	-	396	196	4,616	(4,420)	-95.8%
Total Repairs and Servicing	284,835	266,086	811,674	754,710	56,964	7.5%
Stores Operations	29,324	32,085	90,648	70,732	19,916	28.2%
Administration	155,414	137,022	441,003	418,827	22,176	5.3%
Depreciation	15,129	13,478	45,387	40,435	4,952	12.2%
Total Operating Expenses	484,702	448,671	1,388,712	1,284,704	104,008	8.1%
OPERATING INCOME (LOSS)	(107,972)	(38,659)	(86,417)	(184,088)	97,671	53.1%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	3,750	3,375	9,793	8,847	946	10.7%
Gain (Loss) on Disposition of Equipment	420	-	420	9,050	(8,630)	-95.4%
Total Non-Operating Revenues (Expenses)	4,170	3,375	10,213	17,897	(7,684)	-42.9%
CHANGE IN NET POSITION	<u>(\$103,802)</u>	<u>(\$35,284)</u>	(76,204)	(166,191)	\$89,987	54.1%
TOTAL NET POSITION - JANUARY 1			<u>378,788</u>	<u>210,792</u>		
TOTAL NET POSITION - MARCH 31			<u>\$302,584</u>	<u>\$44,601</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, 2024 and March 31, 2023

	YEAR TO DATE	
	MARCH 31, 2024	MARCH 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$1,302,295	\$1,100,616
Cash Paid to Suppliers	(375,621)	(425,675)
Cash Paid to Employees	(1,060,949)	(999,260)
Net Cash From Operating Activities	(134,275)	(324,319)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	(111,533)	-
Disposition of Equipment/Scrap	420	9,050
Net Cash From Financing Activities	(111,113)	9,050
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income (Loss)	9,793	8,847
Net Cash From Investing Activities	9,793	8,847
Net Change in Cash and Equity in Pooled Investments	(235,595)	(306,422)
Cash and Equity in Pooled Investments at January 1	1,495,179	1,890,757
Cash and Equity in Pooled Investments at March 31	<u>\$1,259,584</u>	<u>\$1,584,335</u>

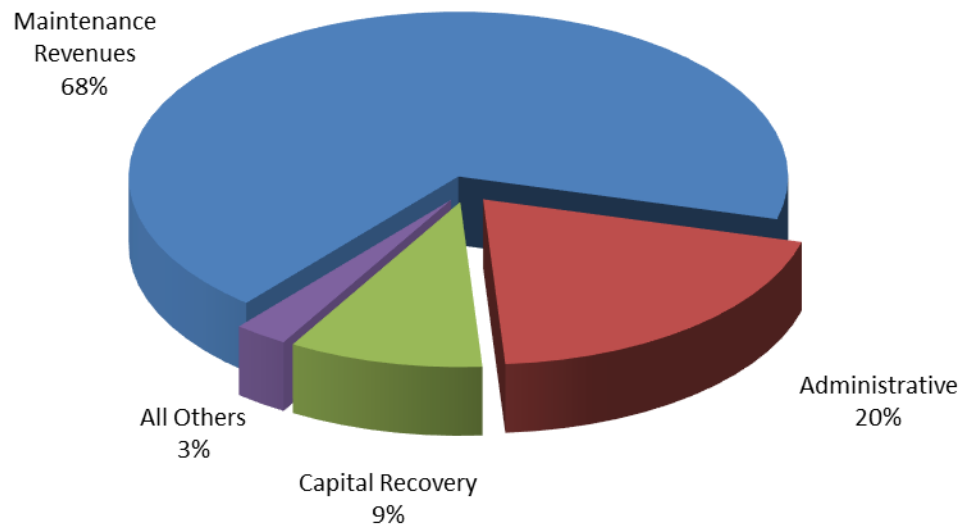
These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.

	YEAR TO DATE	
	MARCH 31, 2024	MARCH 31, 2023
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	(\$86,417)	(\$184,088)
Depreciation Expense	45,387	40,435
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:		
Materials and Supplies	33,040	(31,168)
Accounts Payable & Other	(92,316)	(66,780)
Salaries, Fringe Benefits and Compensated Absences	<u>(33,969)</u>	<u>(82,718)</u>
Total Adjustments	<u>(47,858)</u>	<u>(140,231)</u>
Net Cash From Operating Activities	<u><u>(\$134,275)</u></u>	<u><u>(\$324,319)</u></u>

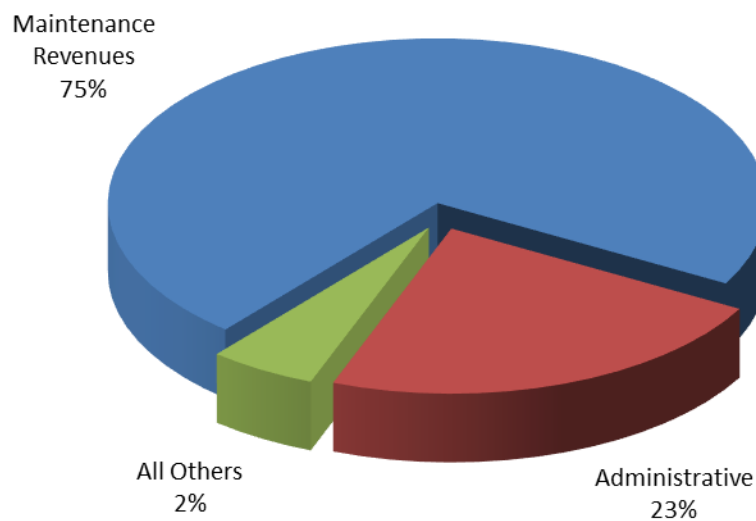
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Supplemental Data

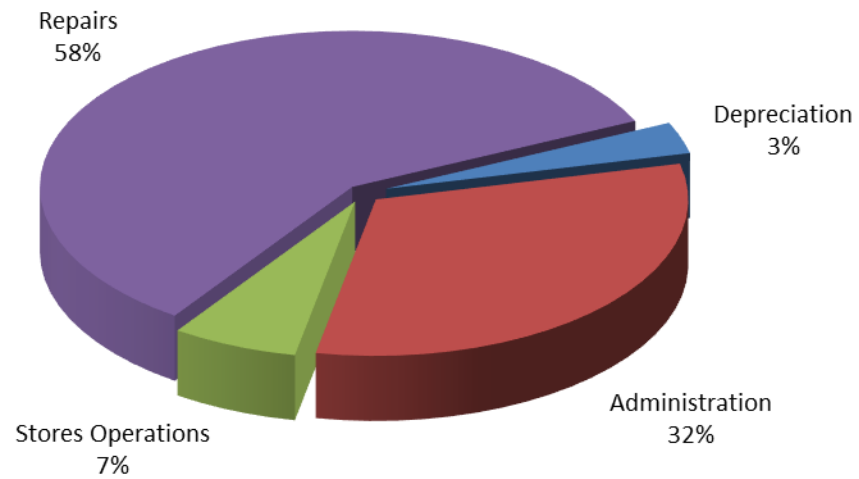
TOTAL OPERATING REVENUES
Year to Date - March 2024 (\$1,302,295)



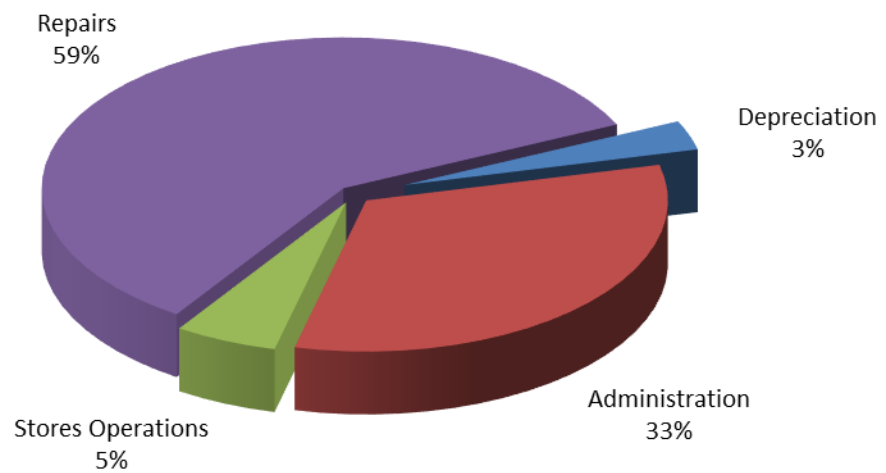
TOTAL OPERATING REVENUES
Year to Date - March 2023 (\$1,100,616)



TOTAL OPERATING EXPENSES
Year to Date - March 2024 (\$1,388,712)



TOTAL OPERATING EXPENSES
Year to Date - March 2023 (\$1,284,704)





The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.