
JUNE

FLEET SERVICES FUND

2022

**INTERIM
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 income of \$36,000 year-to-date 2022 compared to a net operating loss of \$524,000 recorded for the same time period in 2021. Operating revenues increased \$121,000 and expenses decreased \$439,000, resulting in a net increase in operating income of \$560,000 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 \$2.2 million and \$2.1 million at the end of the 2nd quarter of 2022 and 2021, respectively.

Maintenance revenues are mainly related to staff labor and were \$1.4 million and \$1.3 million at the end of the second quarter of 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 \$136,000 and \$148,000 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 \$503,000 and \$560,000 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 \$45,000 and \$30,000 in 2022 and 2021, respectively.

Pool car revenues are based on usage and were \$82,000 and \$9,000 for 2022 and 2021, respectively. The increase is primarily due to an increase in usage due to demand.

Expenses

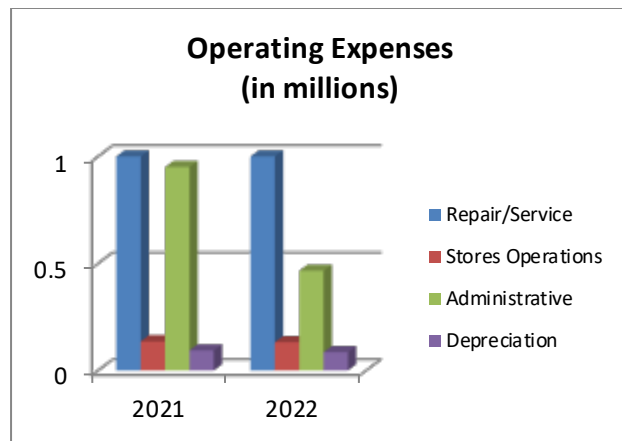
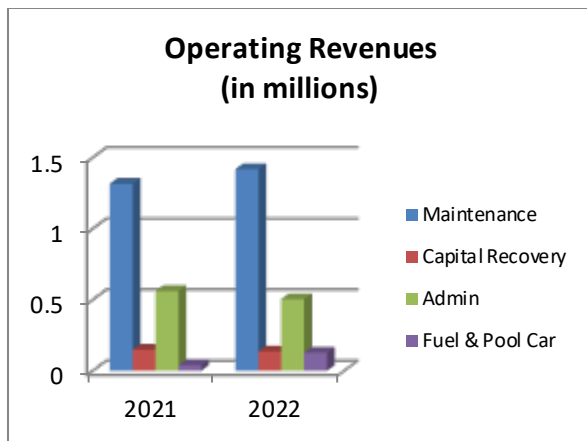
Fleet Services operating expenses are comprised of four major categories: repairs and servicing, stores operations, administration and depreciation. Fleet Services expenses were \$2.1 million and \$2.6 million year-to-date through the second quarter of 2022 and 2021 respectively.

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 \$1.5 million and \$1.4 million for 2022 and 2021, respectively.

Stores operation is a parts warehouse maintained by Fleet which had expenses of \$131,000 and \$136,000 in 2022 and 2021 respectively.

Administration expenses were \$465,000 and \$950,000 in 2022 and 2021, respectively.

Depreciation expense was \$85,000 and \$93,000 in 2022 and 2021, respectively.



Non-Operating Revenues (Expenses)

Investment income (loss) increased \$214,000 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)
 June 30, 2022 and June 30, 2021

	2022	2021
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	(3,208,994)	(3,082,133)
Total Fixed Assets	626,949	814,597
Construction Work in Progress	69,549	37,480
Net Fixed Assets	696,498	852,077
CURRENT		
Current Fund Cash & Equity in Pooled Investments	1,113,748	1,684,708
Other	2,055	-
Materials and Supplies	561,513	401,047
Total Current Assets	1,677,316	2,085,755
OTHER ASSETS		
Net Pension Asset	-	165,846
TOTAL ASSETS	2,373,814	3,103,678
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	902,102	492,034
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$3,275,916	\$3,595,712

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	\$696,498	\$852,077
Restricted for:		
Net Pension Asset	-	165,846
Unrestricted	<u>(1,906,763)</u>	<u>(1,632,400)</u>
TOTAL NET POSITION	(1,210,265)	(614,477)
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	206,884	640,553
Wages Payable	116,740	109,935
Current Pension Withdrawal Liability	<u>124,919</u>	<u>-</u>
Total Current Liabilities	448,543	750,488
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>4,343,430</u>	<u>3,578,182</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>\$3,275,916</u></u>	<u><u>\$3,595,712</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)
June 30, 2022 and June 30, 2021

	YEAR TO DATE				2022/2021 VARIANCE	PERCENT CHANGE
	JUNE 2022	JUNE 2021	JUNE 2022	JUNE 2021		
OPERATING REVENUE						
Maintenance Revenue	\$211,552	\$209,274	\$1,417,996	\$1,314,623	\$103,373	7.9%
Capital Recovery	22,616	147,764	135,695	147,764	(12,069)	-8.2%
Administrative Overhead	83,110	83,212	502,790	560,041	(57,251)	-10.2%
Fuel and Fuel Loading	9,142	5,333	45,002	29,895	15,107	50.5%
Pool Car Rental	12,549	1,646	81,502	9,223	72,279	783.7%
Total Operating Revenue	338,969	447,229	2,182,985	2,061,546	121,439	5.9%
OPERATING EXPENSES						
Repairs and Servicing						
Shop Operations	227,816	266,795	1,462,983	1,376,057	86,926	6.3%
Outside Services	409	135	3,136	30,490	(27,354)	-89.7%
Total Repairs and Servicing	228,225	266,930	1,466,119	1,406,547	59,572	4.2%
Stores Operations	25,923	20,965	131,159	135,766	(4,607)	-3.4%
Administration	149,546	146,573	465,363	950,271	(484,908)	-51.0%
Depreciation	13,577	15,524	84,665	93,229	(8,564)	-9.2%
Total Operating Expenses	417,271	449,992	2,147,306	2,585,813	(438,507)	-17.0%
OPERATING INCOME	(78,302)	(2,763)	35,679	(524,267)	559,946	106.8%
NON-OPERATING REVENUES (EXPENSES)						
Investment Income (Loss)	3,102	932	6,327	(207,999)	214,326	103.0%
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)	3,102	932	11,984	166,298	(154,314)	-92.8%
Net Gain/Loss Before Transfers	(75,200)	(1,831)	47,663	(357,969)	405,632	113.3%
Transfers Out	-	-	-	(1,843,132)	1,843,132	100.0%
CHANGE IN NET POSITION	(\$75,200)	(\$1,831)	47,663	(2,201,101)	\$2,248,764	102.2%
TOTAL NET POSITION - JANUARY 1			(1,257,928)	1,586,624		
TOTAL NET POSITION - JUNE 30			(\$1,210,265)	(\$614,477)		

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)
 June 30, 2022 and June 30, 2021

	YEAR TO DATE	
	JUNE 30, 2022	JUNE 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$2,180,930	\$2,061,546
Cash Paid to Suppliers	(2,440,137)	(945,177)
Cash Paid to Employees	(1,758,947)	(1,786,934)
Net Cash From Operating Activities	(2,018,154)	(670,565)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	(1,412)	(8,606)
Payments of capital expenditures on behalf of the divisions	-	(1,060,057)
Reimbursement from the divisions on capital expenditures	-	3,347,729
Transfers Out	-	(1,843,132)
Disposition of Equipment/Scrap	5,657	374,297
Net Cash From Financing Activities	4,245	810,231
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income (Loss)	6,327	(207,999)
Net Cash From Investing Activities	6,327	(207,999)
Net Change in Cash and Equity in Pooled Investments	(2,007,582)	(68,333)
Cash and Equity in Pooled Investments at January 1	3,121,330	1,753,041
Cash and Equity in Pooled Investments at June 30	<u>\$1,113,748</u>	<u>\$1,684,708</u>

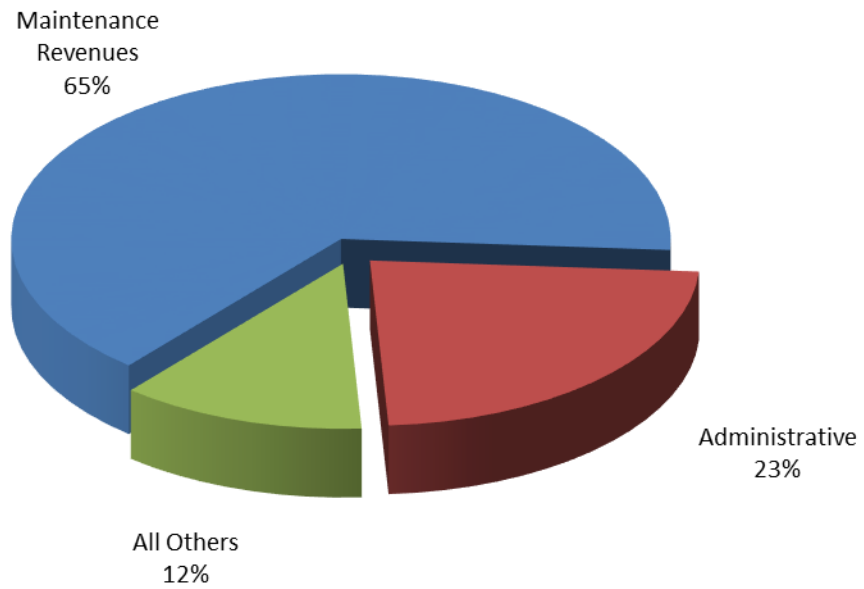
These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.

	YEAR TO DATE	
	JUNE 30, 2022	JUNE 30, 2021
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	\$35,679	(\$524,267)
Depreciation Expense	84,665	93,229
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:		
Other Current Assets	(2,055)	-
Materials and Supplies	(85,580)	(25,916)
Accounts Payable & Other	(2,033,575)	(209,106)
Absences Payable	<u>(17,288)</u>	<u>(15,579)</u>
Total Adjustments	<u>(2,053,833)</u>	<u>(146,298)</u>
Net Cash From Operating Activities	<u><u>(\$2,018,154)</u></u>	<u><u>(\$670,565)</u></u>

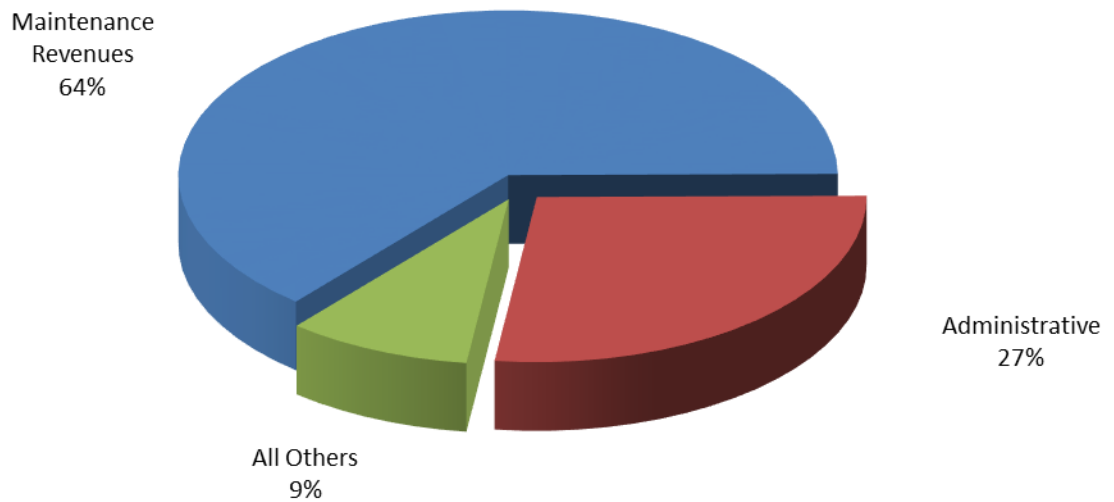
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Supplemental Data

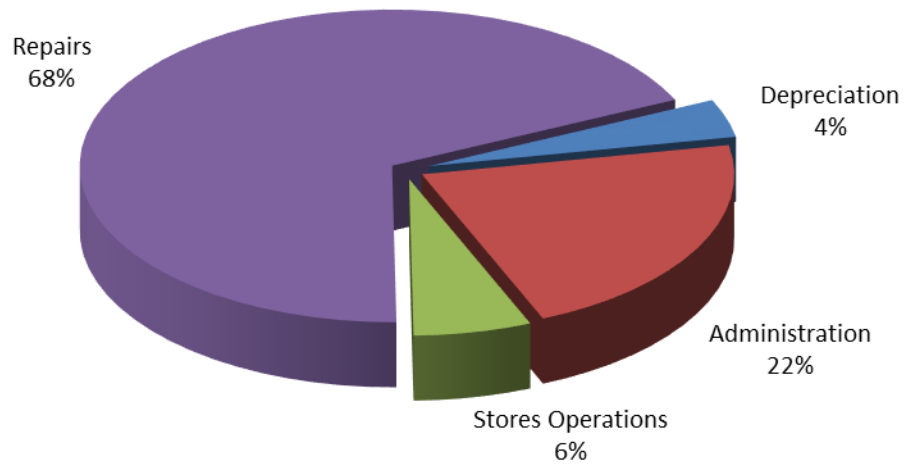
TOTAL OPERATING REVENUES
Year to Date - June 2022 (\$2,182,985)



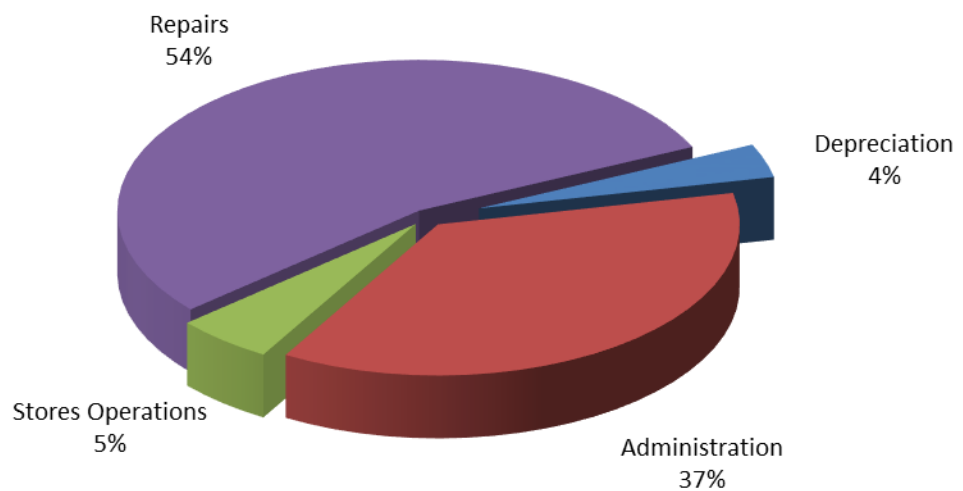
TOTAL OPERATING REVENUES
Year to Date - June 2021 (\$2,061,546)



TOTAL OPERATING EXPENSES
Year to Date - June 2022 (\$2,147,306)



TOTAL OPERATING EXPENSES
Year to Date - June 2021 (\$2,585,813)





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.