2017
2018

Vehicle and Equipment Management Agency

An Agency of the Manitoba Government

Annual Report 2017/18

VEMA

Letter from the Minister

Minister of Finance

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Her Honour the Honourable Janice C. Filmon, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

Your Honour:

It is my privilege to present for the information of Your Honour the Annual Report of the Vehicle and Equipment Management Agency (VEMA) for the year ended March 31, 2018.

This report marks VEMA's third year of reporting as a part of the Department of Finance. Their transition from Infrastructure resulted in several modifications to their reporting functions, and I am pleased to say that VEMA's reporting structure to Finance is now completed and is functioning smoothly.

I commend the management and staff at VEMA on the many successes that they have achieved during their nine years as a Special Operating Agency, and I look forward to congratulating them on further successes in the future.

Respectfully submitted,

Honourable Scott Fielding

Letter from the Deputy Minister

Manitoba
Finance

Deputy Minister
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The Honourable Scott Fielding
Minister of Finance
Room 103, Legislative Building
Winnipeg Manitoba R3C 0V8

Dear Minister Fielding:

It is my pleasure to submit for your review and consideration the Annual Report of the Vehicle and Equipment Agency (VEMA) for the year ended March 31, 2018.

VEMA continues to manage the complete life cycle of its vehicles and equipment including selection and acquisition, financing, licensing, monitoring operating expenses, and re-marketing. One of the more significant results of its management efforts is safer, more environmentally friendly vehicles and equipment that operate throughout their useful lives at a relatively low cost to the Province.

I look forward to continued work with VEMA in further reducing Provincial vehicle and equipment costs by pursuing fuel reduction and right sizing opportunities. Evaluations are on-going surrounding improving its asset management practices using Automated Vehicle Locator (AVL) data; vehicle decaling, vehicle utilization reviews and helping its clients choose alternate, more fiscally responsible modes of transportation.

I would like to thank VEMA's management and staff for the dedication and commitment to public service that they consistently demonstrate in performing their duties and responsibilities.

Respectfully submitted,

Jim Hrichishen

Chief Operating Officer's Message

VEMA
Vehicle and Equipment Management Agency

To the Many Stakeholders of Vehicle and Equipment Management Agency (VEMA):

VEMA's mandate is to recover its costs of operation and break even each year. Actual operations will, of course, vary from projections and produce a relatively small net income or loss annually. Last year's net income of $195,000 was within the ball park of breaking even. This year's net income of $2,856,000, however, is not.

There are many factors contributing to this year's net income number, but the two most prominent ones are: (1) Our gain on disposal of vehicles and equipment for the year is $2,152,000 compared to an actual number for last year of $768,000, and (2) Salaries and benefits are $10,504,000 compared to an actual $11,229,000 for last year. Those two factors alone account for $2,109,000 of the increase in net income between this year and last year.

As indicated on page 26 of our Report, the disposal of both light duty and heavy duty vehicles and equipment during the year exceed acquisitions during the year by 147 units. VEMA's management has been working diligently on reducing the number of light duty vehicles within the provincial fleet that weren't being used sufficiently to support retaining them and the heavy duty units that have been kept as spares "just in case", and has decreased the fleet size accordingly. Although prices at auction have been very much in VEMA's favour, the number of dispositions during the year has significantly added to our reported gain on disposal.

Expense reductions account for much of the remaining increase in VEMA's reported net income. VEMA's management has taken the lean initiative to heart, and has attempted to cut back wherever possible. It is my intention, and VEMA's management's intention, to continue to scrutinize the way VEMA does business, and seek out cost saving opportunities on behalf of the Province.

Capital asset additions during the 2017/18 year amounted to $24,670,000, a number by design considerably less than the annual purchases in recent years. Looking ahead, capital asset purchases are projected to decrease even further, with $11,850,000 the total projection for 2018/19. Heavy duty vehicles and equipment replacements have been significant over the past nine years since amalgamation, and are being cut back in 2018/19 to only essential purchases. There are no ambulance replacements projected for 2018/19.

I would like to thank VEMA's management and staff for their hard work and dedication, and I would like to acknowledge the cooperation received from our numerous stakeholders, clients and partners. Everyone's combined efforts over the years have contributed to making VEMA the Agency it is today.

Sean Savage
A/Chief Operating Officer

An Agency of the Manitoba Government

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VEMA Vehicle and Equipment Management Agency

Vehicle and Equipment Management Agency is an Agency of the Manitoba Government

Profile of Vehicle and Equipment Management Agency

Vehicle and Equipment Management Agency (VEMA, or the Agency) provides acquisition, management and disposal services for both heavy duty and light duty vehicles and equipment. It has one of the larger fleets of vehicles and equipment in Manitoba and, as an Agency within the Department of Finance, its main customers are the departments, agencies and Crown corporations of the provincial government.

Mission Statement

To provide clients with superior vehicles, equipment, products and services that offer sustainable solutions that are financially and socially responsible.

VEMA's full service shop and stores facilities are located in Beausejour, Brandon, Dauphin, The Pas, Thompson and Winnipeg, with satellite shops in several other locations in the province. In addition, VEMA also provides services as required to Northern Airports and to Marine Operations locations throughout the province.

On March 31, 2018, the fleet totaled 5,426 units comprised of light duty vehicles (53%), heavy duty vehicles and equipment (40%), ambulances (4%), and miscellaneous units and attachments (3%).

Annual distance travelled by the owned and managed fleet currently approximates 73 million kilometres and fuel consumption for both heavy and light duty vehicles and equipment owned and managed by VEMA totals more than 19 million litres a year.

Radio Services is a division that rounds out the services offered by the Agency. The division's technicians are responsible for the servicing of existing radio base stations in areas where cellular phone service is not currently available, and for the evaluation, installation, repair and maintenance of two-way radios used by its provincial and other clients in those areas.

Vision Statement

To be the recognized leading provider of asset management services to the broader public sector.

Products and Services

A wide range of products and services has been developed over the past several years to meet the needs of the Agency's provincial government clients, with those services falling into three main groups: Vehicle and Equipment Services, Fleet Management Services, and Radio Services.

Vehicle and Equipment Services for light duty vehicles and equipment include leases, long-term rentals, short-term (daily) rentals, and vehicle insurance and registration. For heavy duty vehicles and equipment, services are primarily to the Department of Infrastructure, with those services designed to provide reliable equipment that is right for the job on a timely basis.

Fleet Management Services cover a whole range of services including a credit card for fuel purchases, repair authorizations, preventive maintenance programs, an invoice payment service, a taxable benefit program, and information on the cost, maintenance and distance driven or utilization for each vehicle or piece of equipment.

Radio Services plays a significant role in maintaining communications in remote areas, especially during the annual periods of time when Sustainable Development works to suppress forest fires.

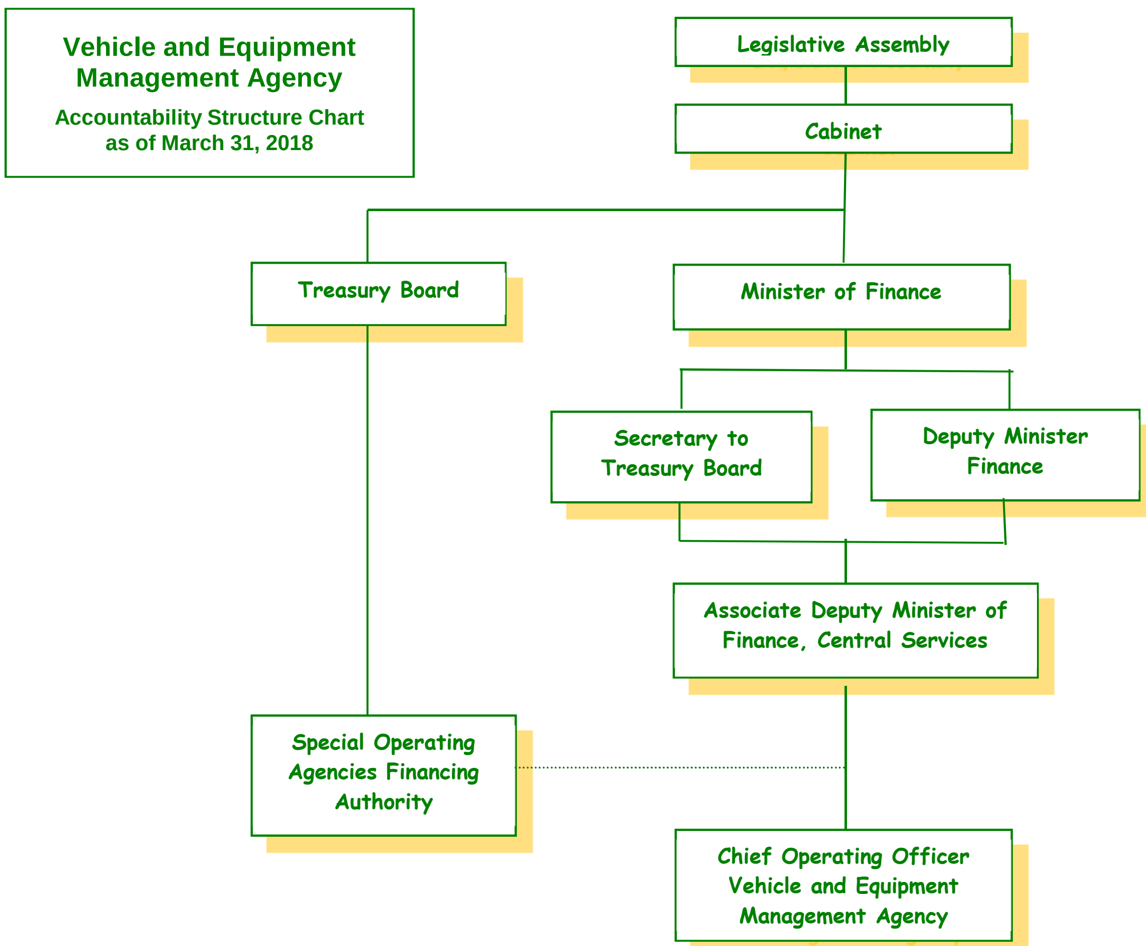
Stores facilities are located within each full service shop to arrange for, and stock, parts for the maintenance and repair of vehicles and equipment owned or managed by the Agency.

Structure for Operations

Accountability Structure

As a Special Operating Agency within Manitoba Finance, VEMA reports directly to the Associate Deputy Minister of Finance, Central Services, and is held accountable to the Secretary of Treasury Board and the Minister of Finance for operational and financial performance.

The Agency operates outside of the Consolidated Fund under the Special Operating Agencies Financing Authority (SOAFA), which holds title to the Agency's assets, provides financing for operations, and is responsible for its liabilities. Governance and accountability are substantiated by VEMA's compliance with its Operating Charter, Transfer Agreement, Management Agreement, applicable General Manual of Administration policies, and by *The Special Operating Agencies Financing Authority Act*. Financial and operational information and requirements are disseminated to and from Treasury Board through a SOA Coordinator at Treasury Board Secretariat.



Staff Complement at VEMA

VEMA has a total of 204 approved Full Time Employee (FTE) positions. The Agency continues to operate with multiple vacancies amongst its 204 FTEs.

Throughout most of the 2017/18 year, the number of vacancies approximated 65, including the positions of Chief Operating Officer, Materials Manager, and Manager, Finance and Administration, as well as shop and office positions in all locations. In February 2017, the Operations Manager, Light Duty, was appointed Acting Chief Operating Officer and is covering both positions. The Materials Manager and Manager, Finance and Administration positions are currently being covered by managers from Materials Distribution Agency who are working in a shared capacity between the two agencies.

It is quite likely that the current staffing situation will continue throughout much of the 2018/19 year.

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. *The Act* builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under *the Act* may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counseling a person to commit a wrongdoing. *The Act* is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with *the Act*, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under *the Act,* whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under *the Act*, and must be reported in a department's annual report in accordance with Section 18 of *the Act*.

There were no disclosures of wrongdoing that were made to a supervisor or designated officer of the Department of Finance – Vehicle and Equipment Management Agency during the 2017/18 fiscal year. In connection with the information required annually, VEMA confirms the following:

Information Required Annually (by Section 18 of the Act)	2017/18 Fiscal Year
The number of disclosures received, and the number acted on and not acted on. *Subsection 18(2)(a)*	**NIL**
The number of investigations commenced as a result of a disclosure. *Subsection 18(2)(b)*	**NIL**
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. *Subsection 18(2)(c)*	**NIL**

Promoting Energy-Related Opportunities

VEMA's management and staff formally and informally meet with customers during each year, providing consultation and expertise on the specifics of their intended vehicle and equipment purchases. In all meetings, VEMA's primary intention is to ensure that its customers are ordering the right vehicles and equipment to meet the requirements of the job for which they are intended. Where environmentally friendly vehicles and equipment are available at competitive prices, they are recommended.

VEMA's fleet included 43 hybrid-electric vehicles as of March 31, 2018, with those models ranging in age from 2008 to 2017. In addition, the fleet includes three all electric vehicles, with those units purchased primarily for testing purposes. Hybrid-electric vehicles currently are only produced as passenger vehicles. The majority of VEMA's fleet, however, is composed of work vehicles—trucks and vans. For those units, VEMA's management has recommended, and will continue to recommend wherever possible, vehicles that have lower fuel emission levels.

For the past several years, the Province has had a committee, or committees, dealing with various facets of the development of policies and procedures to promote practices that are instrumental in furthering the tenets of their Sustainable Development Procurement Guidelines. VEMA's former Chief Operating Officer and certain staff members have had input into the drafting of those policies and procedures. More recently, the Department of Sustainable Development has been developing climate change adaptation priorities through its *Tomorrow Now: Manitoba's Green Plan.* Where possible, it is VEMA's intention to attempt to meet the requirements of that Plan in recommending vehicle and equipment replacements.

Financial Performance

The following financial review and analysis compare the actual results for the year ended March 31, 2018, to the projections for the same period and to the actual results for the year ended March 31, 2017. This review and analysis should be read in conjunction with VEMA's financial statements for the year (pages 11 to 25) and the summarization of key elements from the statement of operations in Table 1 below.

All dollar amounts in the review and analysis are in thousands of dollars.

Operating Results

- As indicated in Table 1, VEMA is reporting a net income of $2,856 for the year ended March 31, 2018, compared to a projected net income of $160 for that same period, and to a net income of $195 for the year ended March 31, 2017.

- VEMA is mandated to be a break even or modest net income operation, and quarterly and annual projections are generally made with that mandate in mind. Actual operations will, of course, vary from projections, but should normally produce a relatively small net income or loss on an annual basis. The results for 2017/18 are therefore an anomaly. One of the main reasons for the larger than normal bottom line is the sizeable gain on disposal of tangible capital assets. At $2,152, it is $952 more than projected and $1,384 more than last year.

Table 1 *(in thousands of dollars)*	**Actual** Year ended Mar 31/18	**Projected** Year ended Mar 31/18	**Actual versus Projected** Increase/ decrease	**Actual** Year ended Mar 31/17	**Actual versus Actual** Increase/ decrease
Vehicle and equipment utilization	**$ 58,326**	$ 57,000	$ 1,326	$ 58,110	$ 216
Fuel billings	**18,301**	19,000	(699)	19,058	(757)
Insurance and other billings	**5,303**	5,200	103	5,151	152
Other revenue	**11,709**	10,000	1,709	9,362	2,347
Total revenues	**93,639**	**91,200**	**2,439**	**91,681**	**1,958**
Salaries and benefits	**10,504**	11,500	(996)	11,229	(725)
Vehicle and equipment operating expenses	**69,647**	69,000	647	69,472	175
Administrative expenses	**4,226**	4,000	226	4,288	(62)
Community service	**36**	40	(4)	61	(25)
Interest expense	**3,870**	4,000	(130)	3,936	(66)
Total expenses	**88,283**	**88,540**	**(257)**	**88,986**	**(703)**
Income from operations	**5,356**	**2,660**	**2,696**	**2,695**	**2,661**
Transfers during the year to the Province of Manitoba	**2,500**	2,500	0	2,500	0
Net income	**$ 2,856**	**$ 160**	**$ 2,696**	**$ 195**	**$ 2,661**

- Another contributing factor to the greater than projected net income for 2017/18 is the Salaries and Benefits number. It is $996 less than projected and $725 less than last year's number. For the most part, as staff depart from VEMA, they are currently not replaced, or are being replaced by part-time staff.

- Under the flow through concept used by VEMA for invoicing fuel to customers, fuel expense essentially follows the pattern of fuel revenues quite closely. The result for the year ended March 31, 2018, portrays this picture, with fuel billings at $18,301 and fuel expense at $18,610.

- Fuel expenses are $690 less than projected for the year ended March 31, 2018, a combination of price and volume variances. VEMA's projected price for gasoline per litre at the pumps for the 2017/18 year was $0.965. Throughout the year ended March 31, 2018, the price at the pumps approximated the projected price on an overall basis (when VEMA's negotiated discounts with suppliers are considered), resulting in an average price per litre of $0.958. From the VEMA Statistics on page 26, fuel consumption at 19,420,000 litres during the year is down significantly from projections and from last year. The volume variance is therefore the main reason that fuel expense is lower than both projections and last year's number.

- The net gain on disposal of tangible capital assets breaks down to $2,039 for light duty vehicles and equipment, $18 for ambulances, $92 for heavy duty vehicles and equipment, and $3 for office and shop equipment. Disposals of 462 light duty units in the 2017/18 year produced relatively high disposal prices, resulting in a gain much higher than projected. Statistics relating to the number of vehicle and equipment units disposed during the year are included on page 26 of this Report.

- Garage regular service for the year ended March 31, 2018, shows a $1,049 positive variance compared to projections and a $1,081 positive variance compared to the year ended March 31, 2017. Garage regular service primarily represents chargeback revenues billed to customers. Regular repairs and maintenance costs and expenses are billed as a part of the variable and utilization billings. As a result, negative or positive variances in garage regular service revenue are not necessarily indicative of how busy the garages are; they merely reflect an increase or decrease in amounts charged to customers that are not considered to be regular repairs and maintenance.

- Radio Services revenue is $710 less than projected and $322 less than its corresponding number a year ago. The Radio Services staff play a significant role in maintaining communications in remote areas, primarily providing tower and electronics inspections and maintenance throughout the province. It is difficult to project their revenues each year because in some years significant equipment and parts are included in their billings to customers, and in other years their billings are primarily composed of labour at hourly billing rates with no significant amount of equipment or parts.

Financial Position

- Vehicle and equipment units total 5,426 as of March 31, 2018. During the year then ended, VEMA received 484 units and disposed of 611 units. Details are included in the VEMA Statistics on page 26.

- Arrivals of vehicles and equipment at VEMA mushroomed during the third quarter of the year, with units at a total cost of $9,976 arriving, compared to $11,858 during the first and second quarters combined, and only $2,771 during the fourth quarter. Actual capital additions of $24,670 during the year break down to $13,910 in light duty units, $6,231 in heavy duty units, $3,797 in ambulances, $667 in miscellaneous units, $64 in leasehold improvements, and $1 in office and shop equipment.

- The carrying, or net book value, of VEMA’s tangible capital assets at March 31, 2018, of $132,931 represents a decrease of $7,073 from the position at March 31, 2017, and is $4,168 lower than it was projected it would be. The decreased carrying value trend is projected to continue into 2018/19 with vehicle and equipment acquisitions projected for the year of only $9,850.

- VEMA offers a 1% discount to customers who pay their monthly rental charges for the year up front on an annual basis in April each year. In April 2017, rental payments received in advance amounted to more than $16,000. As a result, VEMA’s cash position was extraordinarily high throughout the year.

- The amount of borrowings from the Province of Manitoba that was outstanding as of March 31, 2018, decreased by $4,275 from the balance outstanding as of March 31, 2017. New borrowings during the year to assist in funding tangible capital assets were only $18,000, with the semi-annual principal repayments as of September 30, 2017, and March 31, 2018, amounting to $22,275.

- The larger than projected net income for the year together with lower than usual borrowings from the Province are the largest contributors to a decrease in Net Debt of $9,718 as of March 31, 2018, compared to the Net Debt position as of March 31, 2017. Because vehicle and equipment acquisitions are projected to be significantly lower in 2018/19 than they have been in recent years, it is projected that Net Debt will be even lower as of March 31, 2019.

Ratio Analysis

- The non-financial assets to net debt ratio indicates the net book value of the assets available to pay out the net debt, primarily the borrowings from the Province of Manitoba.
- The net debt to accumulated surplus ratio is akin to the debt to equity ratio previously used by VEMA. It continues to portray the highly leveraged position from which the Agency operates.
- The days sales in receivables ratio suggests that at any point in time there is approximately one month's billings outstanding.

Table 2		Year ended March 31	
	Projected	Actual	
Ratio	2017/18 Year	2018	2017
Return on total revenues	0.18%	3.05%	0.21%
Non-financial assets to net debt	1.22 to 1	1.24 to 1	1.22 to 1
Net debt to accumulated surplus	4.49 to 1	3.69 to 1	4.46 to 1
Days sales in receivables	36.3 days	26.1 days	21.8 days

Public Sector Compensation Disclosure

Pursuant to Section 2(1) of *The Public Sector Compensation Disclosure Act*, employees of VEMA who have received compensation of $50,000 or more, directly or indirectly, including benefits and severance payments, in the year ended March 31, 2018, are disclosed in Volume 2 of the Public Accounts of the Province of Manitoba.

Management's Responsibility for Financial Reporting

Vehicle and Equipment Management Agency

Management's Responsibility for Financial Reporting

The Vehicle and Equipment Management Agency's (the Agency) management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position, results of operations, change in net debt, and cash flows, in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. In management's opinion, the financial statements have been properly prepared, within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available through June 21, 2018.

Management maintains internal controls to properly safeguard the Agency's assets. These controls also provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions in all material respects, and that established policies and procedures are followed.

The Agency's financial statements have been audited by MNP LLP, independent external auditors. The auditors' responsibility is to express an independent opinion on whether the financial statements of the Agency are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards. The Auditors' Report outlines the scope of their audit examination and provides their audit opinion.

On behalf of the Agency's management,

Sean Savage
A/Chief Operating Officer

Joel Hershfield
Manager, Finance and Administration

Winnipeg, Manitoba
June 21, 2018

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Independent Auditors' Report

Independent Auditors' Report

To the Special Operating Agencies Financing Authority of Vehicle and Equipment Management Agency (VEMA):

We have audited the accompanying financial statements of Vehicle and Equipment Management Agency (VEMA) (an Agency of the Special Operating Agencies Financing Authority Province of Manitoba), which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditors' 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 auditors' 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Vehicle and Equipment Management Agency (VEMA) (an Agency of the Special Operating Agencies Financing Authority Province of Manitoba), as at March 31, 2018, and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba

June 21, 2018

MNP LLP

Chartered Professional Accountants

Financial Statements

Statement of Financial Position
March 31, 2018
(In thousands of dollars)

	March 31 2018	March 31 2017
Financial assets		
Cash and cash equivalents	$ 1,706	$ 447
Receivables *(Note 5)*	7,176	6,069
Portfolio investments *(Notes 6 and 10)*	1,433	1,433
Inventory for resale	5,537	4,553
	15,852	12,502
Liabilities		
Working capital advances *(Note 7)*	0	955
Accounts payable and accrued liabilities	3,767	4,314
Unearned revenue	2,723	3,294
Severance pay liability *(Note 6)*	1,480	1,500
Borrowings from the Province of Manitoba *(Note 8)*	114,856	119,131
	122,826	129,194
Net debt	(106,974)	(116,692)
Non-financial assets		
Prepaid expenses	3,042	2,831
Tangible capital assets *(Note 9)*		
Vehicles and equipment	132,335	139,371
Office and shop equipment	333	406
Computer hardware and software	3	4
Leasehold improvements	260	223
	132,931	140,004
	135,973	142,835
Accumulated surplus	$ 28,999	$ 26,143

Designated assets *(Note 10)*
Commitments *(Note 11)*

See accompanying notes to financial statements.

Financial Statements

Statement of Operations
Year Ended March 31, 2018
(In thousands of dollars)

	2018 Projected	2018 Actual	2017 Actual (Note 13)
Revenues			
Vehicle and equipment utilization	$ 57,000	**$ 58,326**	$ 58,110
Fuel billings	19,000	**18,301**	19,058
Insurance and other billings	5,200	**5,303**	5,151
Other revenue *(Page 25)*	10,000	**11,709**	9,362
	91,200	**93,639**	91,681
Expenses			
Salaries and benefits	11,500	**10,504**	11,229
Vehicle and equipment operating expenses *(Page 25)*	69,000	**69,647**	69,472
Administrative expenses *(Page 25)*	4,000	**4,226**	4,288
Community service	40	**36**	61
Interest expense	4,000	**3,870**	3,936
	88,540	**88,283**	88,986
Income from operations	2,660	**5,356**	2,695
Transfers during the year to the Province of Manitoba	2,500	**2,500**	2,500
Net income	160	**2,856**	195
Accumulated surplus, beginning of year	25,324	**26,143**	25,948
Accumulated surplus, end of year	$ 25,484	**$ 28,999**	$ 26,143

See accompanying notes to financial statements.

Financial Statements

Statement of Change in Net Debt
Year Ended March 31, 2018
(In thousands of dollars)

	2018 Projected	2018 Actual	2017 Actual
Net income	$ 160	**$ 2,856**	$ 195
Tangible capital assets			
Acquisition of tangible capital assets	(25,400)	**(24,670)**	(33,118)
Amortization of tangible capital assets	28,115	**28,439**	27,590
Gain on disposal of tangible capital assets, net	(1,200)	**(2,152)**	(768)
Proceeds from disposal of tangible capital assets	4,000	**5,456**	4,065
Net acquisition of tangible capital assets	5,515	**7,073**	(2,231)
Decrease (increase) in prepaid expenses during the year	0	**(211)**	36
Decrease (increase) in net debt	5,675	**9,718**	(2,000)
Net debt, beginning of year	(120,190)	**(116,692)**	(114,692)
Net debt, end of year	$ (114,515)	**$ (106,974)**	$ (116,692)

See accompanying notes to financial statements.

Financial Statements

Statement of Cash Flows
Year Ended March 31, 2018
(In thousands of dollars)

Cash provided by (applied to):	2018	2017
Operating activities		
Net income	$ 2,856	$ 195
Amortization of tangible capital assets	28,439	27,590
Gain on disposal of tangible capital assets, net	(2,152)	(768)
Increase in severance pay liability	115	124
Payment of severance pay benefits	(135)	(155)
	29,123	26,986
Change in:		
Receivables	(1,107)	(399)
Inventory for resale	(984)	113
Accounts payable and accrued liabilities	(547)	(5,474)
Unearned revenue	(571)	(672)
Prepaid expenses	(211)	36
Cash provided by operating activities	25,703	20,590
Capital activities		
Proceeds from disposal of tangible capital assets	5,456	4,065
Acquisition of vehicles and equipment	(24,605)	(32,967)
Acquisition of office and shop equipment	(1)	(59)
Acquisition of computer hardware and software	(0)	(4)
Acquisition of leasehold improvements	(64)	(88)
Cash applied to capital activities	(19,214)	(29,053)
Financing activities		
Borrowings from the Province of Manitoba	18,000	27,000
Debt repayments to the Province of Manitoba	(22,275)	(20,390)
Cash provided by (applied to) financing activities	(4,275)	6,610
Increase (decrease) in cash	2,214	(1,853)
Cash and cash equivalents, net of working capital advances (working capital advances, net of cash and cash equivalents), beginning of year	(508)	1,345
Cash and cash equivalents, net of working capital advances (working capital advances, net of cash and cash equivalents), end of year	$ 1,706	$ (508)

See accompanying notes to financial statements.

Financial Statements

Notes to Financial Statements
Year Ended March 31, 2018
(In thousands of dollars)

1. Nature of organization

In 1934, Fleet Vehicles was created as a branch of the Manitoba provincial government to provide a centralized fleet management program. On April 1, 1992, the branch was approved as a special operating agency, the first such agency at the provincial level in Canada. Since inception, Fleet Vehicles Agency primarily provided light duty vehicles and equipment services, with ambulances becoming a part of the fleet starting in 2001/02. On April 1, 2003, the Agency assumed responsibility for Radio Services, a division that evaluates and supplies the fixed and mobile radio requirements of its provincial and other clients.

Following the advent of engineering-based highway management in the 1960s, the Province established a highways department. The Mechanical Equipment Services branch emerged as an integral and important part of the department, primarily providing heavy duty vehicles and equipment, as well as warehousing services. The provided services support the safe and efficient delivery of the department's construction, maintenance and preservation programs, and its remote airport programs, in a manner that incorporates the principles of sustainable development and environmental awareness.

Effective April 1, 2009, Fleet Vehicles Agency and the Mechanical Equipment Services branch were amalgamated into a new special operating agency named Vehicle and Equipment Management Agency ("VEMA", or the "Agency"). VEMA combines the acquisition, management and disposal of both light duty and heavy duty vehicles and equipment under common management.

VEMA was a part of the Department of Infrastructure and Transportation through March 31, 2015, under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and the Minister. As of April 1, 2015, the Agency was transitioned from Infrastructure and Transportation to the Department of Finance, and is now under the direction of the Associate Deputy Minister of Finance, Central Services, and ultimately the policy direction of the Minister of Finance.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables VEMA to operate in a business-like manner according to public policy expectations.

A Management Agreement assigns responsibility to VEMA to manage and account for the Agency-related assets and operations on behalf of SOAFA.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Basis of accounting

The Agency's financial statements are prepared in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board.

Financial Statements

Notes to Financial Statements
Year Ended March 31, 2018
(In thousands of dollars)

3. Summary of significant accounting policies

Revenues

Fixed rate lease revenue is recognized on a straight-line basis over the term of the lease. Variable rate lease revenue is recognized monthly based on equipment usage. Service revenue is recognized when the services have been performed. All revenues are recorded on an accrual basis.

Expenses

All expenses incurred for goods and services are recognized at the gross amount on an accrual basis. Government transfers are recognized as expenses in the period in which the transfers are authorized and all eligibility criteria have been met.

Financial assets

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks. Bank overdrafts and bank borrowings are considered to be financing activities.

(ii) Receivables

Receivables are recorded at the lower of cost and net realizable value. Amounts doubtful of collection are recorded when there is uncertainty that the amounts will be realized.

(iii) Portfolio investments

Portfolio investments are short-term deposits with original maturities of more than three months. These investments are recognized at cost.

(iv) Inventory for resale

Inventories for resale are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis.

Liabilities

Liabilities are present obligations as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded in the financial statements when there is an appropriate basis of measurement and a reasonable estimate can be made of the amounts involved.

Non-financial assets

Non-financial assets do not normally provide resources to discharge liabilities of the Agency. These assets are normally employed to provide future services.

3. Summary of significant accounting policies (continued)

(i) Prepaid expenses

Prepaid expenses are payments for goods or services that will provide economic benefit in future periods. The prepaid amount is recognized as an expense in the year that the goods or services are consumed.

(ii) Tangible capital assets

Tangible capital assets are recognized at cost. Cost includes the purchase price as well as other acquisition costs such as freight charges, transportation, insurance costs and duties. Modifications or additions to the original asset are capitalized and recognized at cost.

The values of tangible capital assets are written down when conditions indicate that the values of the future economic benefits associated with the tangible capital assets are less than their book values.

The costs of tangible capital assets, less their estimated residual values, are amortized over their useful lives in the following manner:

Vehicles and equipment	30%, declining balance method
Vehicles and equipment (signed lease agreement)	Straight-line over term of lease
Office and shop equipment	20%, declining balance method
Computer hardware and software	20%, straight-line method
Leasehold improvements	10%, straight-line method

Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Judgment is required in determining the future economic benefit of all non-financial assets, especially in the estimation of the useful lives of tangible capital assets. Actual results could differ from these estimates.

4. Financial instruments and financial risk management

Measurement

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Agency records its financial assets at cost. Financial assets include cash and cash equivalents, receivables and portfolio investments. The Agency also records its financial liabilities at cost. Financial liabilities include working capital advances, accounts payable and accrued liabilities, and borrowings from the Province of Manitoba.

Gains and losses on financial instruments measured at fair value are recorded in accumulated surplus as re-measurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative

Notes to Financial Statements
Year Ended March 31, 2018
(In thousands of dollars)

4. Financial instruments and financial risk management (continued)

re-measurement gains and losses are reclassified to the statement of operations. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs.

As the Agency has no financial instruments measured at fair value, it did not incur any re-measurement gains and losses during the year ended March 31, 2018 (2017 - $nil).

Financial risk management – overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; and interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and cash equivalents, receivables and portfolio investments.

The maximum exposure of the Agency to credit risk as of March 31, 2018, is:

	2018	2017
Cash and cash equivalents	**$ 1,706**	$ 447
Receivables	**7,176**	6,069
Portfolio investments	**1,433**	1,433
	$ 10,315	$ 7,949

Cash and cash equivalents, and portfolio investments: The Agency is not exposed to significant credit risk as these amounts are primarily held by the Province of Manitoba.

Receivables: The Agency is not exposed to significant credit risk since the receivables are with departments, agencies and Crown corporations with the Manitoba provincial government, or are with organizations within the broader public sector that are funded in part by the provincial or federal governments. The receivable balances are from a large client base, and payment in full is typically collected when it is due. An allowance for doubtful accounts was not recorded as of March 31, 2018 (2017 - $nil).

Liquidity risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by balancing its cash flow requirements with draw downs from its available working capital advances and its other borrowings from the Province of Manitoba. Regular determinations of the Agency's working capital advances limit and its other debt requirements are reviewed by the Province of Manitoba to ensure that adequate funding is available as required to enable the Agency to meet its obligations as they come due. The

(In thousands of dollars)

4. *Financial instruments and financial risk management* (continued)

contractual maturities of the Agency's borrowings from the Province of Manitoba are included in note 8. Working capital advances are due on demand.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income from operations or the fair values of its financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash, cash equivalents, portfolio investments, working capital advances, and to other borrowings.

The interest rate risk on cash and cash equivalents and working capital advances is considered to be low because of their short term nature. The interest rate risk on portfolio investments is considered low as the original deposits are reinvested at rates for investments with similar terms and conditions.

The Agency manages its interest rate risk on long term borrowings through the exclusive use of fixed rate terms on each amount borrowed.

5. *Receivables*

	March 31 2018	March 31 2017
Trade	**$ 4,310**	$ 5,196
Accrued trade	**2,116**	123
Insurance rebate receivable	**750**	750
	$ 7,176	$ 6,069

6. *Severance pay liability*

The Agency records accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of 15 years, by the weekly salary at date of retirement, provided the employee has reached nine years of service and retires from the Province. There is also additional severance pay for employees with 20 or more years of accumulated service. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees through specific dates. For the Fleet Vehicles Agency employees, that responsibility is reflected through the payment by the Province of $270 on March 31, 2009. For the Mechanical Equipment Services employees, that responsibility is reflected through the payment by the Province of $1,163 on July 31, 2010. The $1,433 in combined payments is held in an interest bearing trust account until the cash is required to discharge the related liability.

Notes to Financial Statements
Year Ended March 31, 2018
(In thousands of dollars)

6. *Severance pay liability* (continued)

An actuarial valuation report was completed for the severance pay liability as of April 1, 2017. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's liability is recalculated annually, with payments to retiring employees no longer with the Agency or the Province charged against the liability.

Significant long-term actuarial assumptions used in the April 1, 2017, valuation, and in the determination of the March 31, 2018, present value of the accrued severance benefit obligations were:

Annual rate of return	
Inflation component	2.00%
Real rate of return	4.00%
	6.00%
Assumed salary increase rates	
Annual productivity increase	1.00%
Annual general salary increase	2.00%
	3.00%

Actuarial valuation report updates are prepared every three years. Actuarial adjustments that result from the updates are absorbed by VEMA as a part of the benefits and interest accrued during the year in which the adjustment amounts are known.

The severance pay liability as of March 31 included the following components:

	2018	2017
Severance pay liability, beginning of year	**$ 1,500**	$ 1,531
Benefits and interest accrued during the year	**115**	124
Severance benefits paid during the year	**(135)**	(155)
	$ 1,480	$ 1,500

7. *Working capital advances*

The Agency has an authorized line of working capital advances of $5,000 as of March 31, 2018, none of which was used as of that date (2017 - $955). Advances bear interest at prime less 1% and are unsecured.

8. *Borrowings from the Province of Manitoba*

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed in this Note on behalf of Vehicle and Equipment Management Agency.

Borrowings obtained through the use of available Loan Act authority are repayable in semi-annual instalments of principal and interest, as follows:

(In thousands of dollars)

8. *Borrowings from the Province of Manitoba* (continued)

Interest rate	Semi-annual payment ($)	Maturity date	2018	2017
2.25%	269	September 30, 2017	$ 0	$ 266
2.125%	530	September 30, 2017	0	524
2.125%	212	March 31, 2018	0	417
2.2%	232	September 30, 2018	230	682
2.75%	754	September 30, 2018	744	2,201
2.5%	535	September 30, 2019	1,566	2,578
2.5%	482	September 30, 2019	1,409	2,320
2.625%	272	March 31, 2020	1,052	1,559
1.875%	631	September 30, 2020	3,070	4,258
1.8125%	265	March 31, 2021	1,541	2,036
2.125%	530	March 31, 2021	3,063	4,042
2%	267	September 30, 2021	1,793	2,283
2.3125%	269	September 30, 2021	1,800	2,288
1.875%	789	September 30, 2021	5,323	6,781
2.25%	478	March 31, 2022	3,640	4,500
2.8%	526	September 30, 2022	4,423	5,333
2.625%	569	September 30, 2022	4,801	0
2.4375%	338	March 31, 2023	3,162	3,750
2.875%	540	March 31, 2023	5,000	0
4.875%	237	September 30, 2023	2,262	2,613
3.4%	102	September 30, 2023	1,017	1,182
2.625%	488	September 30, 2023	4,967	5,796
2.75%	246	September 30, 2023	2,491	0
5%	334	March 31, 2024	3,431	3,910
4.875%	192	March 31, 2024	1,977	2,254
2.625%	349	March 31, 2024	3,846	4,431
4.5%	162	September 30, 2024	1,805	2,039
2.3%	516	September 30, 2024	6,196	7,070
2.75%	263	March 31, 2025	3,325	3,750
4%	201	September 30, 2025	2,582	2,872
3.9%	158	September 30, 2025	2,034	2,263
4.55%	162	March 31, 2026	2,156	2,375
3.21%	357	March 31, 2026	5,000	0
3.3%	213	September 30, 2027	3,444	3,748
3.25%	127	September 30, 2027	2,064	2,247
3.375%	86	March 31, 2028	1,441	1,561
5%	80	March 31, 2030	1,425	1,510
			94,080	95,439

Financial Statements

Notes to Financial Statements
Year Ended March 31, 2018
(In thousands of dollars)

8. *Borrowings from the Province of Manitoba* (continued)

Amount of debt owing in connection with the transfer of Mechanical Equipment Services branch net assets on April 1, 2009

4.875%	2,018	March 31, 2024	**20,776**	23,692
Amount of borrowings owing to the Province of Manitoba at year-end			**$ 114,856**	$ 119,131

Unused loan authority of $8,000 was available as of March 31, 2017. An additional $20,000 of loan authority availability was approved in The Loan Act, 2017, with $8,000 of the combined availability drawn down on September 30, 2017, and a further $10,000 of the availability drawn down on March 31, 2018. Unused loan authority available as of March 31, 2018, was $10,000.

All borrowings from the Province of Manitoba are payable in instalments of principal and interest on March 31 and September 30 each year. Interest cost is measured using the effective interest method.

As of March 31, 2018, principal repayments in each of the next five years on the combined outstanding balances owing to the Province of Manitoba are as follows:

2019	$ 22,932
2020	21,607
2021	20,063
2022	17,137
2023	14,327

9. *Tangible capital assets*

	2018			
Cost	Opening balance	Additions	Disposals	**Closing balance**
Vehicles and equipment	$ 277,979	$ 24,605	$ (21,725)	**$ 280,859**
Office and shop equipment	1,783	1	(58)	**1,726**
Computer hardware and software	394	0	(0)	**394**
Leasehold improvements	1,007	64	(0)	**1,071**
	281,163	24,670	(21,783)	**284,050**
Accumulated amortization				
Vehicles and equipment	138,608	28,338	(18,422)	**148,524**
Office and shop equipment	1,377	73	(57)	**1,393**
Computer hardware and software	390	1	(0)	**391**
Leasehold improvements	784	27	(0)	**811**
	141,159	28,439	(18,479)	**151,119**
Net book value	$ 140,004	$ (3,769)	$ (3,304)	**$ 132,931**

(In thousands of dollars)

9. *Tangible capital assets* (continued)

	2017			
Cost	Opening balance	Additions	Disposals	Closing balance
Vehicles and equipment	$ 270,507	$ 32,967	$ (25,495)	$ 277,979
Office and shop equipment	1,724	59	(0)	1,783
Computer hardware and software	399	4	(9)	394
Leasehold improvements	919	88	(0)	1,007
	273,549	33,118	(25,504)	281,163
Accumulated amortization				
Vehicles and equipment	133,328	27,478	(22,198)	138,608
Office and shop equipment	1,292	85	(0)	1,377
Computer hardware and software	398	1	(9)	390
Leasehold improvements	758	26	(0)	784
	135,776	27,590	(22,207)	141,159
Net book value	$ 137,773	$ 5,528	$ (3,297)	$ 140,004

10. *Designated assets*

The Agency has allocated $1,433 (2017 - $1,433) of its portfolio investments as designated assets for its severance pay liability.

11. *Commitments*

(a) VEMA has arrangements with the Government of Manitoba for the rental of facilities in Beausejour, Brandon, Dauphin, The Pas, Thompson and Winnipeg, Manitoba. Occupancy charges for each fiscal year including 2018/19 are established annually based on the approved budget for the Accommodation Services division of Central Services, Finance. Occupancy charges for 2018/19 are estimated at $2,500 for the year, to be paid in quarterly instalments during 2018/19.

(b) VEMA's approved 2018/19 Business Plan calls for $2,700 to be paid to the Consolidated Fund of the Province of Manitoba for the year in quarterly instalments of $675 together with a payment by June 30, 2019, of 50% of the Agency's actual net income for the 2018/19 year that is in excess of its projected net income for the year of $817.

12. *Pension benefits*

Employees of VEMA are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to

Financial Statements

Notes to Financial Statements
Year Ended March 31, 2018
(In thousands of dollars)

12. Pension benefits (continued)

participating agencies of the provincial government, including the Agency, through the Civil Service Superannuation Fund.

The pension liability related to the CSSA's defined benefit plan is included in the Province of Manitoba's financial statements. Accordingly, no provision is required in the Agency's financial statements relating to the effects of participation in the plan by the Agency and its employees.

The Agency is regularly required to pay to the Province an amount equal to the current pension contributions paid by its employees. The amount paid for 2018 was $681 (2017 - $787).

13. Comparative financial statements

Certain reclassifications have been made in the financial statements for the year ended March 31, 2017, to make their presentation comparable to that in the actual financial statements for the year ended March 31, 2018.

Financial Statements

Schedule of Other Revenue and Expenses
Year Ended March 31, 2018
(In thousands of dollars)

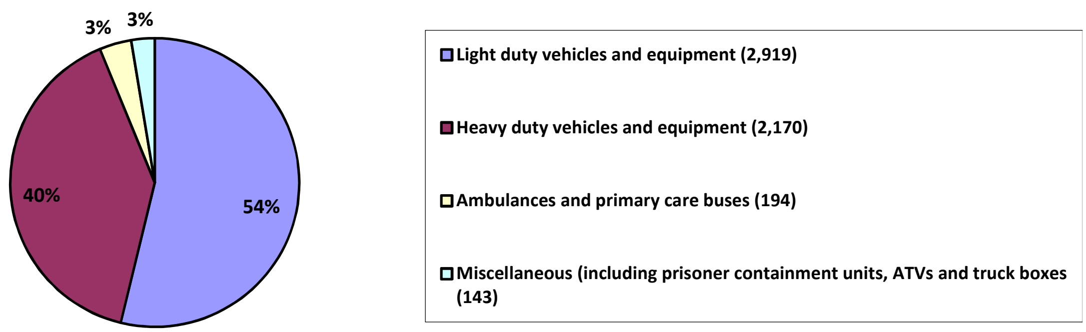
	2018 Projected	2018 Actual	2017 Actual (Note 13)
Other revenue			
Body shop service	$ 750	**$ 903**	$ 779
Gain on disposal of tangible capital assets, net	1,200	**2,152**	768
Garage regular service	5,000	**6,049**	4,968
Insurance premium rebates	1,500	**1,730**	1,670
Interest income	10	**10**	9
Other service revenue	140	**175**	156
Radio Services	1,400	**690**	1,012
	$ 10,000	**$ 11,709**	$ 9,362
Vehicle and equipment operating expenses			
Amortization of tangible capital assets	$ 28,000	**$ 28,339**	$ 27,478
Fuel	19,300	**18,610**	18,848
Insurance premiums	5,500	**5,561**	5,625
Licenses	150	**149**	149
Repairs and maintenance	16,050	**16,988**	17,372
	$ 69,000	**$ 69,647**	$ 69,472
Administrative expenses			
Amortization of tangible capital assets	$ 115	**$ 100**	$ 112
Fleet management information system	450	**409**	431
Occupancy costs	2,600	**2,498**	2,488
Other costs	450	**779**	835
Professional fees	20	**19**	28
SOAFA charges	6	**7**	7
Supplies and materials	215	**270**	236
Telephone and communication	144	**144**	151
	$ 4,000	**$ 4,226**	$ 4,288

VEMA Statistics

	Year ended March 31 2018 Projected	For the year ended March 31 2018 Actual	2017 Actual
Vehicles and equipment			
Light duty	2,920	**2,919**	3,018
Heavy duty	2,251	**2,170**	2,218
Ambulances	196	**191**	193
Primary care buses	3	**3**	3
Miscellaneous (including prisoner containment units, ATVs and truck boxes)	131	**143**	121
Number of units in the fleet (including replaced units being prepared for disposal)	5,501	**5,426**	5,553
Acquisitions – light duty	370	**363**	434
Acquisitions – heavy duty	65	**60**	132
Acquisitions – ambulances	26	**28**	33
Acquisitions – miscellaneous units	10	**33**	0
Average purchase price – light duty	$ 33.7	**$ 38.3**	$ 34.3
Average purchase price – heavy duty	$ 140.4	**$ 103.8**	$ 103.6
Average purchase price – ambulances	$ 134.6	**$ 135.6**	$ 134.0
Average purchase price – miscellaneous units	$ 15.0	**$ 20.2**	$ N/A
Disposals – light duty	365	**462**	306
Disposals – heavy duty	65	**108**	150
Disposals – ambulances	26	**30**	47
Disposals – miscellaneous units	0	**11**	5
Average disposal proceeds – light duty	$ 7.0	**$ 7.9**	$ 7.6
Average disposal proceeds – heavy duty	$ 6.0	**$ 11.9**	$ 8.3
Average disposal proceeds – ambulances	$ 4.5	**$ 8.4**	$ 6.4
Average disposal proceeds – miscellaneous units	$ N/A	**$ 1.0**	$ 0.9
Fuel			
Consumption in litres for owned and managed vehicles and equipment (000s)	20,000	**19,420**	20,373
Fuel cost for light duty vehicles ($000s)	$ 14,925	**$ 15,046**	$ 14,654
Fuel cost for heavy duty vehicles and equipment ($000s)	$ 4,375	**$ 3,564**	$ 4,194
Utilization			
Kilometres driven on owned and managed metered units (000s)	80,000	**72,512**	75,314
Machine hours for owned heavy duty equipment	275,000	**246,428**	274,685
Years utilized for owned heavy duty equipment	150	**107**	109

VEMA Statistics (continued)

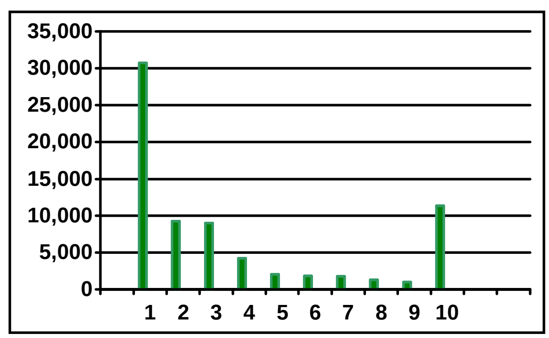
Vehicle and Equipment Type as of March 31, 2018 (*in units*)



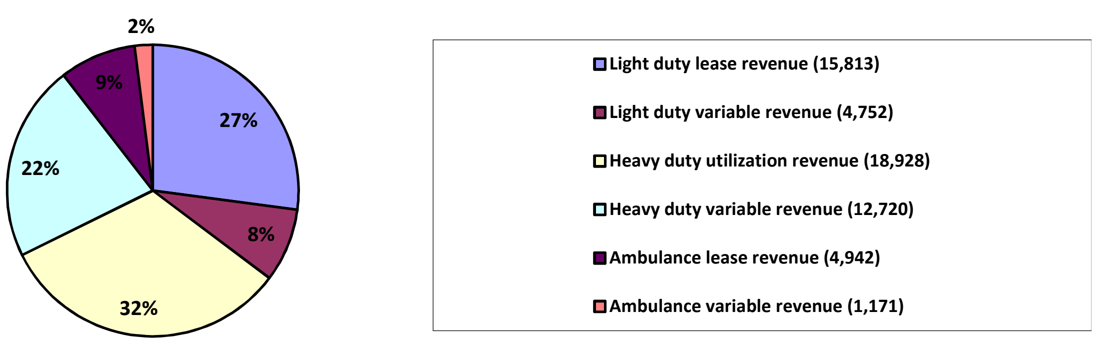
Vehicle Distance by Department in 2017/18
(in thousands of kilometres)

Distance by Department Legend
(*in thousands of kilometres*)

1.	Infrastructure	30,736
2.	Health – Emergency Services	9,249
3.	Sustainable Development	9,005
4.	Justice	4,229
5.	Interlake Eastern Regional Health Authority	2,026
6.	Manitoba Housing and Renewal Corporation	1,828
7.	Families	1,778
8.	Agriculture	1,301
9.	Office of the Fire Commissioner	1,013
10.	All other customers	11,347
	Total distance in 2017/18	72,512



Breakdown of $58,326 in Vehicle and Equipment Utilization Revenues in 2017/18
(in thousands of dollars)



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Vehicle and Equipment Management Agency

With full shop facilities in
Beausejour, Brandon, Dauphin, The Pas, Thompson and Winnipeg
Satellite shop facilities in several other Manitoba locations
And services to Northern Airports and Marine Operations locations throughout Manitoba

VEMA's vision is to be the recognized leading provider of asset management services to the broader public sector.

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