

## INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

**Fleet Rental and Replacement Fund** rents motorized equipment to Public Works divisions and provides for their scheduled replacement at the end of the economic life of the asset.

**Central Garage Fund** maintains motorized and heavy equipment and provides motor fuels for all departments.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2005**

EXHIBIT D - 1

	Fleet Rental and Replace- ment Fund	Central Garage	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 6,729,556	\$ 2,641,752	\$ 9,371,308
Accrued interest receivable	34,371	12,443	46,814
Inventory	--	284,519	284,519
Total current assets	6,763,927	2,938,714	9,702,641
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	21,573,300	196,756	21,770,056
Total capital assets	21,573,300	2,465,312	24,038,612
Accumulated depreciation	(17,245,507)	(1,699,412)	(18,944,919)
Net capital assets	4,327,793	765,900	5,093,693
Total assets	11,091,720	3,704,614	14,796,334
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	459,324	458,992	918,316
Accrued salaries payable	--	29,221	29,221
Compensated absences payable	--	187,057	187,057
Total liabilities	459,324	675,270	1,134,594
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,327,793	765,900	5,093,693
Unrestricted	6,304,603	2,263,444	8,568,047
Total net assets	\$ 10,632,396	\$ 3,029,344	\$ 13,661,740

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT D - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Operating revenues:			
Charges for services:			
Billings to departments	\$ 4,631,139	\$ 9,368,461	\$ 13,999,600
Operating expenses:			
Personal services	--	1,355,613	1,355,613
Employee benefits	--	520,437	520,437
Supplies	38,931	153,328	192,259
Contractual services	2,123,966	808,785	2,932,751
Cost of materials	--	6,570,096	6,570,096
Depreciation	2,727,216	74,817	2,802,033
Total operating expenses	4,890,113	9,483,076	14,373,189
Operating income (loss)	(258,974)	(114,615)	(373,589)
Non-operating revenues (expenses):			
Investment earnings	189,048	68,151	257,199
Gain (loss) on disposition of capital assets	300,760	3,853	304,613
Total non-operating revenues (expenses)	489,808	72,004	561,812
Change in net assets	230,834	(42,611)	188,223
Total net assets - January 1, restated	10,401,562	3,071,955	13,473,517
Total net assets - December 31	\$ 10,632,396	\$ 3,029,344	\$ 13,661,740

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT D - 3

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 4,631,139	\$ 9,368,461	\$ 13,999,600
Cash payments to suppliers for goods and services	(2,160,055)	(7,459,223)	(9,619,278)
Cash payments to employees for services and benefits	--	(1,866,117)	(1,866,117)
Net cash provided by (used for) operating activities	<u>2,471,084</u>	<u>43,121</u>	<u>2,514,205</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Proceeds from sale of capital assets	328,590	3,853	332,443
Acquisition and construction of capital assets	(1,571,597)	--	(1,571,597)
Net cash provided by (used for) capital and related financing activities	<u>(1,243,007)</u>	<u>3,853</u>	<u>(1,239,154)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest received on investments	<u>167,401</u>	<u>61,371</u>	<u>228,772</u>
Net increase (decrease) in cash and cash equivalents	1,395,478	108,345	1,503,823
Cash and cash equivalents, January 1	<u>5,334,078</u>	<u>2,533,407</u>	<u>7,867,485</u>
Cash and cash equivalents, December 31	<u>\$ 6,729,556</u>	<u>\$ 2,641,752</u>	<u>\$ 9,371,308</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	\$ (258,974)	\$ (114,615)	\$ (373,589)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	2,727,216	74,817	2,802,033
Increase (decrease) in compensated absences payable	--	22,634	22,634
Change in assets and liabilities:			
Decrease (increase) in inventory	--	(85,610)	(85,610)
Increase (decrease) in accounts and contracts payable	2,842	158,597	161,439
Increase (decrease) in accrued salaries payable	--	(12,702)	(12,702)
Total adjustments	<u>2,730,058</u>	<u>157,736</u>	<u>2,887,794</u>
Net cash provided by (used for) operating activities	<u>\$ 2,471,084</u>	<u>\$ 43,121</u>	<u>\$ 2,514,205</u>
<b>Non Cash Investing, Capital, and Financing Activities:</b>			
Gain in fair value of investments	\$ 34,371	\$ 12,443	\$ 46,814
Loss on disposal of capital assets	(27,830)	--	(27,830)

The accompanying notes are an integral part of this statement.