

## 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.

**Fleet Management 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 POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2016**

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,771,207	\$ 405,784	\$ 6,176,991
Investments	9,826,651	690,930	10,517,581
Accounts receivable	8,134	6,462	14,596
Accrued interest receivable	27,040	975	28,015
Inventory	--	203,212	203,212
Total current assets	<u>15,633,032</u>	<u>1,307,363</u>	<u>16,940,395</u>
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,355,428	2,355,428
Improvements (other than buildings)	--	7,190	7,190
Equipment	39,407,444	188,088	39,595,532
Total capital assets	<u>39,407,444</u>	<u>2,598,274</u>	<u>42,005,718</u>
Accumulated depreciation	<u>(30,485,913)</u>	<u>(2,301,998)</u>	<u>(32,787,911)</u>
Net capital assets	<u>8,921,531</u>	<u>296,276</u>	<u>9,217,807</u>
Total assets	<u>24,554,563</u>	<u>1,603,639</u>	<u>26,158,202</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	441,045	832,762	1,273,807
Accrued salaries payable	--	41,239	41,239
Compensated absences payable	--	176,206	176,206
Total liabilities	<u>441,045</u>	<u>1,050,207</u>	<u>1,491,252</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,921,531	296,276	9,217,807
Unrestricted	<u>15,191,987</u>	<u>257,156</u>	<u>15,449,143</u>
Total net position	<u>\$ 24,113,518</u>	<u>\$ 553,432</u>	<u>\$ 24,666,950</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

EXHIBIT D - 2

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services:			
Billings to departments	\$ 7,140,662	\$ 11,000,939	\$ 18,141,601
<b>OPERATING EXPENSES</b>			
Personal services	--	1,637,057	1,637,057
Employee benefits	--	930,507	930,507
Supplies	48,155	162,471	210,626
Contractual services	3,703,747	1,178,595	4,882,342
Cost of materials	--	7,250,409	7,250,409
Depreciation	3,143,069	37,861	3,180,930
Total operating expenses	<u>6,894,971</u>	<u>11,196,900</u>	<u>18,091,871</u>
Operating income (loss)	<u>245,691</u>	<u>(195,961)</u>	<u>49,730</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	67,455	2,445	69,900
Gain (loss) on disposition of capital assets	210,734	17,475	228,209
Total non-operating revenues (expenses)	<u>278,189</u>	<u>19,920</u>	<u>298,109</u>
Income (loss) before contributions and transfers	523,880	(176,041)	347,839
Transfers out	<u>(40,170)</u>	<u>(5,910)</u>	<u>(46,080)</u>
Change in net position	483,710	(181,951)	301,759
Total net position - January 1	<u>23,629,808</u>	<u>735,383</u>	<u>24,365,191</u>
Total net position - December 31	<u>\$ 24,113,518</u>	<u>\$ 553,432</u>	<u>\$ 24,666,950</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

EXHIBIT D - 3

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 7,140,662	\$ 11,000,939	\$ 18,141,601
Cash payments to suppliers for goods and services	(3,725,353)	(8,480,351)	(12,205,704)
Cash payments to employees for services and benefits	--	(2,539,942)	(2,539,942)
Net cash provided by (used for) operating activities	<u>3,415,309</u>	<u>(19,354)</u>	<u>3,395,955</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers out to other funds	<u>(40,170)</u>	<u>(5,910)</u>	<u>(46,080)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital assets	317,192	17,475	334,667
Acquisition and construction of capital assets	<u>(4,228,758)</u>	<u>(15,900)</u>	<u>(4,244,658)</u>
Net cash provided by (used for) capital and related financing activities	<u>(3,911,566)</u>	<u>1,575</u>	<u>(3,909,991)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investments	(9,826,651)	(690,930)	(10,517,581)
Proceeds from sales and maturities of investments	9,327,615	648,604	9,976,219
Interest received on investments	52,190	2,121	54,311
Net cash provided by (used for) investing activities	<u>(446,846)</u>	<u>(40,205)</u>	<u>(487,051)</u>
Net increase (decrease) in cash and cash equivalents	(983,273)	(63,894)	(1,047,167)
Cash and cash equivalents, January 1	<u>6,754,480</u>	<u>469,678</u>	<u>7,224,158</u>
Cash and cash equivalents, December 31	<u>\$ 5,771,207</u>	<u>\$ 405,784</u>	<u>\$ 6,176,991</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ 245,691</u>	<u>\$ (195,961)</u>	<u>\$ 49,730</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,143,069	37,861	3,180,930
Increase (decrease) in compensated absences payable	--	13,435	13,435
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	--	(6,462)	(6,462)
Decrease (increase) in inventory	--	36,179	36,179
Increase (decrease) in accounts and contracts payable	26,549	81,407	107,956
Increase (decrease) in accrued salaries payable	--	14,187	14,187
Total adjustments	<u>3,169,618</u>	<u>176,607</u>	<u>3,346,225</u>
Net cash provided by (used for) operating activities	<u>\$ 3,415,309</u>	<u>\$ (19,354)</u>	<u>\$ 3,395,955</u>
<b>Non cash investing, capital, and financing activities:</b>			
Gain in fair value of investments	\$ 27,040	\$ 975	\$ 28,015
Gain (loss) on disposal of capital assets	(106,458)	--	(106,458)