

## 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 POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2013**

EXHIBIT D - 1

|                                     | <u>Fleet Rental<br/>and Replace-<br/>ment Fund</u> | <u>Central<br/>Garage</u> | <u>Total</u>         |
|-------------------------------------|--|---------------------------|----------------------|
| <b>ASSETS</b>                       |  |                           |                      |
| Current assets:                     |  |                           |                      |
| Cash and cash equivalents           | \$ 12,999,566                                      | \$ 2,970,124              | \$ 15,969,690        |
| Accrued interest receivable         | 5,185  | 1,027                     | 6,212                |
| Inventory                           | --   | 230,857                   | 230,857              |
| Total current assets                | <u>13,004,751</u>                                  | <u>3,202,008</u>          | <u>16,206,759</u>    |
| Capital assets:                     |  |                           |                      |
| Land                                | --   | 47,568                    | 47,568               |
| Buildings                           | --   | 2,213,798                 | 2,213,798            |
| Improvements (other than buildings) | --   | 7,190                     | 7,190                |
| Equipment                           | 34,476,917   | 173,250                   | 34,650,167           |
| Total capital assets                | <u>34,476,917</u>                                  | <u>2,441,806</u>          | <u>36,918,723</u>    |
| Accumulated depreciation            | <u>(27,774,224)</u>                                | <u>(2,206,104)</u>        | <u>(29,980,328)</u>  |
| Net capital assets                  | <u>6,702,693</u>                                   | <u>235,702</u>            | <u>6,938,395</u>     |
| Total assets                        | <u>19,707,444</u>                                  | <u>3,437,710</u>          | <u>23,145,154</u>    |
| <b>LIABILITIES</b>                  |  |                           |                      |
| Current liabilities:                |  |                           |                      |
| Accounts and contracts payable      | 173,632  | 999,650                   | 1,173,282            |
| Accrued salaries payable            | --   | 74,825                    | 74,825               |
| Compensated absences payable        | --   | 119,499                   | 119,499              |
| Total liabilities                   | <u>173,632</u>                                     | <u>1,193,974</u>          | <u>1,367,606</u>     |
| <b>NET POSITION</b>                 |  |                           |                      |
| Net investment in capital assets    | 6,702,693  | 235,702                   | 6,938,395            |
| Unrestricted                        | <u>12,831,119</u>                                  | <u>2,008,034</u>          | <u>14,839,153</u>    |
| Total net position                  | <u>\$ 19,533,812</u>                               | <u>\$ 2,243,736</u>       | <u>\$ 21,777,548</u> |

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 POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT D - 2

|   | <b>Fleet Rental<br/>and Replace-<br/>ment Fund</b> | <b>Central<br/>Garage</b> | <b>Total</b>  |
|---|--|---------------------------|---------------|
| <b>OPERATING REVENUES</b>                           |  |                           |               |
| Charges for services:                               |  |                           |               |
| Billings to departments                             | \$ 7,542,491                                       | \$ 13,728,164             | \$ 21,270,655 |
| <b>OPERATING EXPENSES</b>                           |  |                           |               |
| Personal services                                   | --   | 1,272,855                 | 1,272,855     |
| Employee benefits                                   | --   | 980,911                   | 980,911       |
| Supplies  | 21,285   | 127,731                   | 149,016       |
| Contractual services                                | 2,709,793  | 1,015,740                 | 3,725,533     |
| Cost of materials                                   | --   | 10,953,634                | 10,953,634    |
| Depreciation  | 2,609,988  | 69,498                    | 2,679,486     |
| Total operating expenses                            | 5,341,066  | 14,420,369                | 19,761,435    |
| Operating income (loss)                             | 2,201,425  | (692,205)                 | 1,509,220     |
| <b>NONOPERATING REVENUES (EXPENSES)</b>             |  |                           |               |
| Investment earnings                                 | 17,895   | 3,749                     | 21,644        |
| Gain (loss) on disposition of capital assets        | 258,489  | 14,041                    | 272,530       |
| Total non-operating revenues (expenses)             | 276,384  | 17,790                    | 294,174       |
| Income (loss) before contributions<br>and transfers | 2,477,809  | (674,415)                 | 1,803,394     |
| Total net position - January 1                      | 17,056,003   | 2,918,151                 | 19,974,154    |
| Total net position - December 31                    | \$ 19,533,812                                      | \$ 2,243,736              | \$ 21,777,548 |

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, 2013**

EXHIBIT D - 3

|  | <u>Fleet Rental<br/>and Replace-<br/>ment Fund</u> | <u>Central<br/>Garage</u> | <u>Total</u>         |
|--|--|---------------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |  |                           |                      |
| Cash received from customers   | \$ 7,542,491                                       | \$ 13,728,164             | \$ 21,270,655        |
| Cash payments to suppliers for goods and services  | (2,691,509)  | (11,408,486)              | (14,099,995)         |
| Cash payments to employees for services and benefits   | --   | (2,307,019)               | (2,307,019)          |
| Net cash provided by (used for) operating activities   | <u>4,850,982</u>                                   | <u>12,659</u>             | <u>4,863,641</u>     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES:</b>   |  |                           |                      |
| Proceeds from sale of capital assets   | 269,378  | 14,041                    | 283,419              |
| Acquisition and construction of capital assets   | (2,190,693)  | --                        | (2,190,693)          |
| Net cash provided by (used for) capital and related<br>financing activities                                  | <u>(1,921,315)</u>                                 | <u>14,041</u>             | <u>(1,907,274)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |  |                           |                      |
| Interest received on investments   | 15,304   | 3,475                     | 18,779               |
| Net increase (decrease) in cash and cash equivalents   | 2,944,971  | 30,175                    | 2,975,146            |
| Cash and cash equivalents, January 1   | <u>10,054,595</u>                                  | <u>2,939,949</u>          | <u>12,994,544</u>    |
| Cash and cash equivalents, December 31   | <u>\$ 12,999,566</u>                               | <u>\$ 2,970,124</u>       | <u>\$ 15,969,690</u> |
| <b>Reconciliation of operating income to net cash<br/>provided by (used for) operating activities:</b>       |  |                           |                      |
| Operating income (loss)  | <u>\$ 2,201,425</u>                                | <u>\$ (692,205)</u>       | <u>\$ 1,509,220</u>  |
| Adjustments to reconcile operating income (loss) to net cash<br>provided by (used for) operating activities: |  |                           |                      |
| Depreciation   | 2,609,988  | 69,498                    | 2,679,486            |
| Increase (decrease) in compensated absences payable  | --   | (55,463)                  | (55,463)             |
| Change in assets and liabilities:  |  |                           |                      |
| Decrease (increase) in inventory   | --   | 87,874                    | 87,874               |
| Increase (decrease) in accounts and contracts payable  | 39,569   | 600,745                   | 640,314              |
| Increase (decrease) in accrued salaries payable  | --   | 2,210                     | 2,210                |
| Total adjustments  | <u>2,649,557</u>                                   | <u>704,864</u>            | <u>3,354,421</u>     |
| Net cash provided by (used for) operating activities   | <u>\$ 4,850,982</u>                                | <u>\$ 12,659</u>          | <u>\$ 4,863,641</u>  |
| <b>Non cash investing, capital, and financing activities:</b>  |  |                           |                      |
| Gain in fair value of investments  | \$ 5,185   | \$ 1,027                  | \$ 6,212             |
| Gain (loss) on disposal of capital assets  | (10,889)   | --                        | (10,889)             |

The accompanying notes are an integral part of this statement.