

## 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, 2010**

EXHIBIT D - 1

	Fleet Rental and Replace- ment Fund	Central Garage	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,343,899	\$ 3,455,930	\$ 8,799,829
Accrued interest receivable	1,045	614	1,659
Inventory	--	399,874	399,874
Total current assets	5,344,944	3,856,418	9,201,362
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	31,704,270	203,811	31,908,081
Total capital assets	31,704,270	2,472,367	34,176,637
Accumulated depreciation	(23,327,086)	(2,028,170)	(25,355,256)
Net capital assets	8,377,184	444,197	8,821,381
Total assets	13,722,128	4,300,615	18,022,743
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	40,239	806,364	846,603
Accrued salaries payable	--	66,116	66,116
Compensated absences payable	--	199,721	199,721
Total liabilities	40,239	1,072,201	1,112,440
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,377,184	444,197	8,821,381
Unrestricted	5,304,705	2,784,217	8,088,922
Total net assets	\$ 13,681,889	\$ 3,228,414	\$ 16,910,303

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, 2010**

EXHIBIT D - 2

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services:			
Billings to departments	\$ 6,999,599	\$ 11,746,557	\$ 18,746,156
<b>OPERATING EXPENSES</b>			
Personal services	--	1,444,642	1,444,642
Employee benefits	--	785,660	785,660
Supplies	19,984	158,339	178,323
Contractual services	2,357,618	1,085,171	3,442,789
Cost of materials	--	9,106,441	9,106,441
Depreciation	4,033,216	68,583	4,101,799
Total operating expenses	<u>6,410,818</u>	<u>12,648,836</u>	<u>19,059,654</u>
Operating income (loss)	<u>588,781</u>	<u>(902,279)</u>	<u>(313,498)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	9,435	6,511	15,946
Gain (loss) on disposition of capital assets	225,602	10,595	236,197
Total non-operating revenues (expenses)	<u>235,037</u>	<u>17,106</u>	<u>252,143</u>
Income (loss) before contributions and transfers	823,818	(885,173)	(61,355)
Transfers out	<u>(32,645)</u>	<u>--</u>	<u>(32,645)</u>
Change in net assets	791,173	(885,173)	(94,000)
Total net assets - January 1	<u>12,890,716</u>	<u>4,113,587</u>	<u>17,004,303</u>
Total net assets - December 31	<u>\$ 13,681,889</u>	<u>\$ 3,228,414</u>	<u>\$ 16,910,303</u>

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, 2010**

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	\$ 6,999,599	\$ 11,746,557	\$ 18,746,156
Cash payments to suppliers for goods and services	(2,377,032)	(10,371,219)	(12,748,251)
Cash payments to employees for services and benefits	--	(2,204,680)	(2,204,680)
Net cash provided by (used for) operating activities	<u>4,622,567</u>	<u>(829,342)</u>	<u>3,793,225</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers out to other funds	<u>(32,645)</u>	<u>--</u>	<u>(32,645)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Proceeds from sale of capital assets	241,218	10,595	251,813
Acquisition and construction of capital assets	<u>(3,596,648)</u>	<u>(12,200)</u>	<u>(3,608,848)</u>
Net cash provided by (used for) capital and related financing activities	<u>(3,355,430)</u>	<u>(1,605)</u>	<u>(3,357,035)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest received on investments	<u>9,720</u>	<u>7,124</u>	<u>16,844</u>
Net increase (decrease) in cash and cash equivalents	1,244,212	(823,823)	420,389
Cash and cash equivalents, January 1	<u>4,099,687</u>	<u>4,279,753</u>	<u>8,379,440</u>
Cash and cash equivalents, December 31	<u>\$ 5,343,899</u>	<u>\$ 3,455,930</u>	<u>\$ 8,799,829</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	<u>\$ 588,781</u>	<u>\$ (902,279)</u>	<u>\$ (313,498)</u>
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	4,033,216	68,583	4,101,799
Increase (decrease) in compensated absences payable	--	20,378	20,378
Change in assets and liabilities:			
Decrease (increase) in inventory	--	(26,018)	(26,018)
Increase (decrease) in accounts and contracts payable	570	4,750	5,320
Increase (decrease) in accrued salaries payable	--	5,244	5,244
Total adjustments	<u>4,033,786</u>	<u>72,937</u>	<u>4,106,723</u>
Net cash provided by (used for) operating activities	<u>\$ 4,622,567</u>	<u>\$ (829,342)</u>	<u>\$ 3,793,225</u>
<b>Non Cash Investing, Capital, and Financing Activities:</b>			
Gain in fair value of investments	\$ 1,045	\$ 614	\$ 1,659
Gain (Loss) on disposal of capital assets	(15,616)	--	(15,616)

The accompanying notes are an integral part of this statement.