

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, 2007**

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,981,901	\$ 3,296,577	\$ 8,278,478
Accounts receivable	--	543	543
Accrued interest receivable	36,469	21,063	57,532
Inventory	--	291,011	291,011
Total current assets	<u>5,018,370</u>	<u>3,609,194</u>	<u>8,627,564</u>
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	25,089,994	191,043	25,281,037
Total capital assets	<u>25,089,994</u>	<u>2,459,599</u>	<u>27,549,593</u>
Accumulated depreciation	<u>(17,716,962)</u>	<u>(1,838,775)</u>	<u>(19,555,737)</u>
Net capital assets	<u>7,373,032</u>	<u>620,824</u>	<u>7,993,856</u>
Total assets	<u>12,391,402</u>	<u>4,230,018</u>	<u>16,621,420</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	361,572	399,132	760,704
Accrued salaries payable	--	51,273	51,273
Compensated absences payable	--	195,622	195,622
Total liabilities	<u>361,572</u>	<u>646,027</u>	<u>1,007,599</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,373,032	620,824	7,993,856
Unrestricted	<u>4,656,798</u>	<u>2,963,167</u>	<u>7,619,965</u>
Total net assets	<u>\$ 12,029,830</u>	<u>\$ 3,583,991</u>	<u>\$ 15,613,821</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 ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007**

EXHIBIT D - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Operating revenues:			
Charges for services:			
Billings to departments	\$ 5,368,977	\$ 11,894,409	\$ 17,263,386
Operating expenses:			
Personal services	--	1,410,291	1,410,291
Employee benefits	--	583,824	583,824
Supplies	70,847	155,744	226,591
Contractual services	2,561,572	843,014	3,404,586
Cost of materials	--	8,783,075	8,783,075
Depreciation	2,585,665	71,345	2,657,010
Total operating expenses	5,218,084	11,847,293	17,065,377
Operating income (loss)	150,893	47,116	198,009
Non-operating revenues (expenses):			
Investment earnings	279,513	137,570	417,083
Gain (loss) on disposition of capital assets	662,656	4,478	667,134
Total non-operating revenues (expenses)	942,169	142,048	1,084,217
Change in net assets	1,093,062	189,164	1,282,226
Total net assets - January 1	10,936,768	3,394,827	14,331,595
Total net assets - December 31	\$ 12,029,830	\$ 3,583,991	\$ 15,613,821

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, 2007**

EXHIBIT D - 3

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Cash Flows From Operating Activities:			
Cash received from customers	\$ 5,368,977	\$ 11,893,867	\$ 17,262,844
Cash payments to suppliers for goods and services	(2,628,145)	(9,770,650)	(12,398,795)
Cash payments to employees for services and benefits	--	(1,966,405)	(1,966,405)
Net cash provided by (used for) operating activities	2,740,832	156,812	2,897,644
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	697,130	4,478	701,608
Acquisition and construction of capital assets	(5,079,768)	--	(5,079,768)
Net cash provided by (used for) capital and related financing activities	(4,382,638)	4,478	(4,378,160)
Cash Flows From Investing Activities:			
Interest received on investments	293,482	137,078	430,560
Net increase (decrease) in cash and cash equivalents	(1,348,324)	298,368	(1,049,956)
Cash and cash equivalents, January 1	6,330,225	2,998,209	9,328,434
Cash and cash equivalents, December 31	\$ 4,981,901	\$ 3,296,577	\$ 8,278,478
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 150,893	\$ 47,116	\$ 198,009
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	2,585,665	71,345	2,657,010
Increase (decrease) in compensated absences payable	--	6,622	6,622
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	--	(542)	(542)
Decrease (increase) in inventory	--	25,201	25,201
Increase (decrease) in accounts and contracts payable	4,274	(14,019)	(9,745)
Increase (decrease) in accrued salaries payable	--	21,089	21,089
Total adjustments	2,589,939	109,696	2,699,635
Net cash provided by (used for) operating activities	\$ 2,740,832	\$ 156,812	\$ 2,897,644
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 36,469	\$ 21,063	\$ 57,532
Loss on disposal of capital assets	(36,152)	--	(36,152)

The accompanying notes are an integral part of this statement.