

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, 2006**

EXHIBIT E - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,330,225	\$ 2,998,209	\$ 9,328,434
Accrued interest receivable	50,437	20,571	71,008
Inventory	--	316,212	316,212
Total current assets	<u>6,380,662</u>	<u>3,334,992</u>	<u>9,715,654</u>
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	22,691,477	196,756	22,888,233
Total capital assets	<u>22,691,477</u>	<u>2,465,312</u>	<u>25,156,789</u>
Accumulated depreciation	<u>(18,103,685)</u>	<u>(1,773,143)</u>	<u>(19,876,828)</u>
Net capital assets	<u>4,587,792</u>	<u>692,169</u>	<u>5,279,961</u>
Total assets	<u>10,968,454</u>	<u>4,027,161</u>	<u>14,995,615</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	31,686	413,150	444,836
Accrued salaries payable	--	30,184	30,184
Compensated absences payable	--	189,000	189,000
Total liabilities	<u>31,686</u>	<u>632,334</u>	<u>664,020</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,587,792	692,169	5,279,961
Unrestricted	<u>6,348,976</u>	<u>2,702,658</u>	<u>9,051,634</u>
Total net assets	<u>\$ 10,936,768</u>	<u>\$ 3,394,827</u>	<u>\$ 14,331,595</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, 2006**

EXHIBIT E - 2

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
Operating revenues:			
Charges for services:			
Billings to departments	\$ 4,768,018	\$ 10,874,660	\$ 15,642,678
Operating expenses:			
Personal services	--	1,341,260	1,341,260
Employee benefits	--	534,648	534,648
Supplies	12,243	124,678	136,921
Contractual services	2,534,117	806,335	3,340,452
Cost of materials	--	7,756,823	7,756,823
Depreciation	2,428,858	73,731	2,502,589
Total operating expenses	<u>4,975,218</u>	<u>10,637,475</u>	<u>15,612,693</u>
Operating income (loss)	<u>(207,200)</u>	<u>237,185</u>	<u>29,985</u>
Non-operating revenues (expenses):			
Investment earnings	303,884	114,342	418,226
Gain (loss) on disposition of capital assets	207,688	13,956	221,644
Total non-operating revenues (expenses)	<u>511,572</u>	<u>128,298</u>	<u>639,870</u>
Change in net assets	304,372	365,483	669,855
Total net assets - January 1	<u>10,632,396</u>	<u>3,029,344</u>	<u>13,661,740</u>
Total net assets - December 31	<u>\$ 10,936,768</u>	<u>\$ 3,394,827</u>	<u>\$ 14,331,595</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, 2006**

EXHIBIT E - 3

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers	\$ 4,768,018	\$ 10,874,660	\$ 15,642,678
Cash payments to suppliers for goods and services	(2,549,202)	(8,765,371)	(11,314,573)
Cash payments to employees for services and benefits	--	(1,873,002)	(1,873,002)
Net cash provided by (used for) operating activities	<u>2,218,816</u>	<u>236,287</u>	<u>2,455,103</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	243,840	13,956	257,796
Acquisition and construction of capital assets	(3,149,805)	--	(3,149,805)
Net cash provided by (used for) capital and related financing activities	<u>(2,905,965)</u>	<u>13,956</u>	<u>(2,892,009)</u>
Cash Flows From Investing Activities:			
Interest received on investments	287,818	106,214	394,032
Net increase (decrease) in cash and cash equivalents	<u>(399,331)</u>	<u>356,457</u>	<u>(42,874)</u>
Cash and cash equivalents, January 1	6,729,556	2,641,752	9,371,308
Cash and cash equivalents, December 31	<u>\$ 6,330,225</u>	<u>\$ 2,998,209</u>	<u>\$ 9,328,434</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (207,200)	\$ 237,185	\$ 29,985
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	2,428,858	73,731	2,502,589
Increase (decrease) in compensated absences payable	--	1,943	1,943
Change in assets and liabilities:			
Decrease (increase) in inventory	--	(31,693)	(31,693)
Increase (decrease) in accounts and contracts payable	(2,842)	(45,842)	(48,684)
Increase (decrease) in accrued salaries payable	--	963	963
Total adjustments	<u>2,426,016</u>	<u>(898)</u>	<u>2,425,118</u>
Net cash provided by (used for) operating activities	<u>\$ 2,218,816</u>	<u>\$ 236,287</u>	<u>\$ 2,455,103</u>
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 50,437	\$ 20,571	\$ 71,008
Loss on disposal of capital assets	(36,152)	--	(36,152)

The accompanying notes are an integral part of this statement.