

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, 2004**

EXHIBIT E - 1

	Fleet Rental and Replace- ment Fund	Central Garage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,334,078	\$ 2,533,407	\$ 7,867,485
Accrued interest receivable	12,725	5,663	18,388
Inventory	--	198,909	198,909
Total current assets	5,346,803	2,737,979	8,084,782
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	21,002,699	183,798	21,186,497
Total capital assets	21,002,699	2,452,354	23,455,053
Accumulated depreciation	(15,837,065)	(1,624,595)	(17,461,660)
Net capital assets	5,165,634	827,759	5,993,393
Total assets	10,512,437	3,565,738	14,078,175
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	110,875	287,437	398,312
Accrued salaries payable	--	41,923	41,923
Compensated absences payable	--	164,423	164,423
Total liabilities	110,875	493,783	604,658
NET ASSETS			
Invested in capital assets, net of related debt	5,165,634	827,759	5,993,393
Unrestricted	5,235,928	2,244,196	7,480,124
Total net assets	\$ 10,401,562	\$ 3,071,955	\$ 13,473,517

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, 2004**

EXHIBIT E - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Operating revenues:			
Charges for services:			
Billings to departments	\$ 4,547,037	\$ 8,480,973	\$ 13,028,010
Operating expenses:			
Personal services	--	1,325,136	1,325,136
Employee benefits	--	502,480	502,480
Supplies	49,313	150,568	199,881
Contractual services	2,224,110	784,830	3,008,940
Cost of materials	--	5,596,631	5,596,631
Depreciation	2,793,110	76,867	2,869,977
Total operating expenses	5,066,533	8,436,512	13,503,045
Operating income (loss)	(519,496)	44,461	(475,035)
Non-operating revenues (expenses):			
Investment earnings	71,141	29,878	101,019
Gain (loss) on disposition of capital assets	427,005	2,529	429,534
Total non-operating revenues (expenses)	498,146	32,407	530,553
Change in net assets	(21,350)	76,868	55,518
Total net assets - January 1, restated	10,422,912	2,995,087	13,417,999
Total net assets - December 31	\$ 10,401,562	\$ 3,071,955	\$ 13,473,517

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, 2004**

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	\$ 4,547,037	\$ 8,480,973	\$ 13,028,010
Cash payments to suppliers for goods and services	(2,323,177)	(6,564,177)	(8,887,354)
Cash payments to employees for services and benefits	--	(1,867,420)	(1,867,420)
Net cash provided by (used for) operating activities	<u>2,223,860</u>	<u>49,376</u>	<u>2,273,236</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	429,735	2,529	432,264
Acquisition and construction of capital assets	(2,955,968)	(9,266)	(2,965,234)
Net cash provided by (used for) capital and related financing activities	<u>(2,526,233)</u>	<u>(6,737)</u>	<u>(2,532,970)</u>
Cash Flows From Investing Activities:			
Interest received on investments	65,130	26,938	92,068
Net increase (decrease) in cash and cash equivalents	(237,243)	69,577	(167,666)
Cash and cash equivalents, January 1	<u>5,571,321</u>	<u>2,463,830</u>	<u>8,035,151</u>
Cash and cash equivalents, December 31	<u>\$ 5,334,078</u>	<u>\$ 2,533,407</u>	<u>\$ 7,867,485</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (519,496)	\$ 44,461	\$ (475,035)
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	2,793,110	76,867	2,869,977
Decrease (increase) in accounts receivable	--	2,149	2,149
Increase (decrease) in compensated absences payable	--	(11,709)	(11,709)
Change in assets and liabilities:			
Decrease (increase) in inventory	--	(7,653)	(7,653)
Increase (decrease) in accounts and contracts payable	(49,754)	(26,644)	(76,398)
Increase (decrease) in accrued salaries payable	--	(28,095)	(28,095)
Total adjustments	<u>2,743,356</u>	<u>4,915</u>	<u>2,748,271</u>
Net cash provided by (used for) operating activities	<u>\$ 2,223,860</u>	<u>\$ 49,376</u>	<u>\$ 2,273,236</u>
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 12,725	\$ 5,663	\$ 18,388
Loss on disposal of capital assets	(2,730)	--	(2,730)

The accompanying notes are an integral part of this statement.