

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, 2003**

EXHIBIT E - 1

	Fleet Rental and Replace- ment Fund	Central Garage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,571,321	\$ 2,463,830	\$ 8,035,151
Accrued interest receivable	6,714	2,723	9,437
Due from other governments	--	2,149	2,149
Inventory	--	191,256	191,256
Total current assets	5,578,035	2,659,958	8,237,993
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	19,936,800	184,054	20,120,854
Total capital assets	19,936,800	2,452,610	22,389,410
Accumulated depreciation	(15,042,169)	(1,557,251)	(16,599,420)
Net capital assets	4,894,631	895,359	5,789,990
Total assets	10,472,666	3,555,317	14,027,983
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	49,754	314,080	363,834
Accrued salaries payable	--	70,018	70,018
Compensated absences payable	--	176,132	176,132
Total current liabilities	49,754	560,230	609,984
Long-term liabilities:			
Net pension obligation	--	262,911	262,911
Total liabilities	49,754	823,141	872,895
NET ASSETS			
Invested in capital assets, net of related debt	4,894,631	895,359	5,789,990
Unrestricted	5,528,281	1,836,817	7,365,098
Total net assets	\$ 10,422,912	\$ 2,732,176	\$ 13,155,088

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, 2003**

EXHIBIT E - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Operating revenues:			
Charges for services:			
Billings to departments	\$ 4,252,930	\$ 7,322,436	\$ 11,575,366
Operating expenses:			
Personal services	--	1,274,865	1,274,865
Employee benefits	--	560,473	560,473
Supplies	12,624	129,878	142,502
Contractual services	2,333,973	749,275	3,083,248
Cost of materials	--	4,639,801	4,639,801
Depreciation	2,518,744	75,499	2,594,243
Total operating expenses	4,865,341	7,429,791	12,295,132
Operating income (loss)	(612,411)	(107,355)	(719,766)
Non-operating revenues (expenses):			
Investment earnings	69,422	25,353	94,775
Interest expense	(970)	--	(970)
Gain (loss) on disposition of capital assets	605,828	2,225	608,053
Total non-operating revenues (expenses)	674,280	27,578	701,858
Change in net assets	61,869	(79,777)	(17,908)
Total net assets - January 1	10,361,043	2,811,953	13,172,996
Total net assets - December 31	\$ 10,422,912	\$ 2,732,176	\$ 13,155,088

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, 2003**

EXHIBIT E - 3

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Cash Flows From Operating Activities:			
Cash received from customers	\$ 4,252,930	\$ 7,322,436	\$ 11,575,366
Cash payments to suppliers for goods and services	(2,439,561)	(5,526,543)	(7,966,104)
Cash payments to employees for services and benefits	--	(1,795,780)	(1,795,780)
Net cash provided by (used for) operating activities	1,813,369	113	1,813,482
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	609,752	2,225	611,977
Acquisition and construction of capital assets	(3,099,097)	--	(3,099,097)
Principal paid on bonds and capital leases	(119,739)	--	(119,739)
Interest paid on bonds and capital leases	(970)	--	(970)
Net cash provided by (used for) capital and related financing activities	(2,610,054)	2,225	(2,607,829)
Cash Flows From Investing Activities:			
Proceeds from sales and maturities of investments	4,468,370	1,728,692	6,197,062
Interest received on investments	74,527	26,715	101,242
Net cash provided by (used for) investing activities	4,542,897	1,755,407	6,298,304
Net increase (decrease) in cash and cash equivalents	3,746,212	1,757,745	5,503,957
Cash and cash equivalents, January 1	1,825,109	706,085	2,531,194
Cash and cash equivalents, December 31	\$ 5,571,321	\$ 2,463,830	\$ 8,035,151
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (612,411)	\$ (107,355)	\$ (719,766)
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	2,518,744	75,499	2,594,243
Increase (decrease) in compensated absences payable	--	29,335	29,335
Increase (decrease) in net pension obligation	--	59,469	59,469
Change in assets and liabilities:			
Decrease (increase) in inventory	--	(23,586)	(23,586)
Increase (decrease) in accounts and contracts payable	(92,964)	(43,472)	(136,436)
Increase (decrease) in accrued salaries payable	--	10,223	10,223
Total adjustments	2,425,780	107,468	2,533,248
Net cash provided by (used for) operating activities	\$ 1,813,369	\$ 113	\$ 1,813,482
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 6,714	\$ 2,723	\$ 9,437
Loss on disposal of capital assets	(3,924)	--	(3,924)

The accompanying notes are an integral part of this statement.