

## 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.

**Fleet Management 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 POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2017**

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,714,092	\$ 276,348	\$ 5,990,440
Investments	11,393,967	551,042	11,945,009
Accounts receivable	736	634	1,370
Accrued interest receivable	44,934	1,402	46,336
Inventory	--	160,258	160,258
Total current assets	<u>17,153,729</u>	<u>989,684</u>	<u>18,143,413</u>
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,355,428	2,355,428
Improvements (other than buildings)	--	7,190	7,190
Equipment	39,344,605	210,753	39,555,358
Total capital assets	<u>39,344,605</u>	<u>2,620,939</u>	<u>41,965,544</u>
Accumulated depreciation	<u>(30,783,070)</u>	<u>(2,349,325)</u>	<u>(33,132,395)</u>
Net capital assets	<u>8,561,535</u>	<u>271,614</u>	<u>8,833,149</u>
Total assets	<u>25,715,264</u>	<u>1,261,298</u>	<u>26,976,562</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	667,351	664,020	1,331,371
Accrued salaries payable	--	39,793	39,793
Compensated absences payable	--	223,720	223,720
Total liabilities	<u>667,351</u>	<u>927,533</u>	<u>1,594,884</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,561,535	271,614	8,833,149
Unrestricted	16,486,378	62,151	16,548,529
Total net position	<u>\$ 25,047,913</u>	<u>\$ 333,765</u>	<u>\$ 25,381,678</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT D - 2

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services:			
Billings to departments	<u>\$ 7,398,002</u>	<u>\$ 11,989,717</u>	<u>\$ 19,387,719</u>
<b>OPERATING EXPENSES</b>			
Personal services	--	1,795,937	1,795,937
Employee benefits	--	1,085,372	1,085,372
Supplies	18,041	151,289	169,330
Contractual services	3,835,038	1,077,077	4,912,115
Cost of materials	--	8,107,528	8,107,528
Depreciation	3,220,026	47,327	3,267,353
Total operating expenses	<u>7,073,105</u>	<u>12,264,530</u>	<u>19,337,635</u>
Operating income (loss)	<u>324,897</u>	<u>(274,813)</u>	<u>50,084</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	146,660	4,003	150,663
Gain (loss) on disposition of capital assets	462,838	51,143	513,981
Total non-operating revenues (expenses)	<u>609,498</u>	<u>55,146</u>	<u>664,644</u>
Change in net position	934,395	(219,667)	714,728
Total net position - January 1	<u>24,113,518</u>	<u>553,432</u>	<u>24,666,950</u>
Total net position - December 31	<u><u>\$ 25,047,913</u></u>	<u><u>\$ 333,765</u></u>	<u><u>\$ 25,381,678</u></u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT D - 3

	<b>Fleet Rental and Replace- ment Fund</b>	<b>Fleet Management</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 7,398,002	\$ 11,989,717	\$ 19,387,719
Cash payments to suppliers for goods and services	(3,870,232)	(9,455,854)	(13,326,086)
Cash payments to employees for services and benefits	--	(2,835,241)	(2,835,241)
Net cash provided by (used for) operating activities	<u>3,527,770</u>	<u>(301,378)</u>	<u>3,226,392</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital assets	508,184	51,143	559,327
Acquisition and construction of capital assets	(2,654,519)	(22,665)	(2,677,184)
Net cash provided by (used for) capital and related financing activities	<u>(2,146,335)</u>	<u>28,478</u>	<u>(2,117,857)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investments	(11,393,967)	(551,042)	(11,945,009)
Proceeds from sales and maturities of investments	9,826,651	690,930	10,517,581
Interest received on investments	128,766	3,576	132,342
Net cash provided by (used for) investing activities	<u>(1,438,550)</u>	<u>143,464</u>	<u>(1,295,086)</u>
Net increase (decrease) in cash and cash equivalents	(57,115)	(129,436)	(186,551)
Cash and cash equivalents, January 1	<u>5,771,207</u>	<u>405,784</u>	<u>6,176,991</u>
Cash and cash equivalents, December 31	<u>\$ 5,714,092</u>	<u>\$ 276,348</u>	<u>\$ 5,990,440</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ 324,897</u>	<u>\$ (274,813)</u>	<u>\$ 50,084</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,220,026	47,327	3,267,353
Increase (decrease) in compensated absences payable	--	47,514	47,514
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	--	5,828	5,828
Decrease (increase) in inventory	--	42,954	42,954
Increase (decrease) in accounts and contracts payable	(17,153)	(168,742)	(185,895)
Increase (decrease) in accrued salaries payable	--	(1,446)	(1,446)
Total adjustments	<u>3,202,873</u>	<u>(26,565)</u>	<u>3,176,308</u>
Net cash provided by (used for) operating activities	<u>\$ 3,527,770</u>	<u>\$ (301,378)</u>	<u>\$ 3,226,392</u>
<b>Non cash investing, capital, and financing activities:</b>			
Gain in fair value of investments	\$ 44,934	\$ 1,402	\$ 46,336
Gain (loss) on disposal of capital assets	(45,346)	--	(45,346)