
Master Equipment Lease/Purchase Program

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Description	FY 2009 Actual	FY 2010 Approved	FY 2011 Proposed	% Change from FY 2010
Operating Budget	\$38,378,207	\$46,157,000	\$49,804,074	7.9

The mission of the Master Equipment Lease/Purchase Program (the program) is to provide District agencies with access to low-cost, tax-exempt financing for short-term capital equipment needs. The program also enables the District to improve its asset/liability management by matching the useful life of the asset being financed to the amortization of the liability.

Equipment financed through the program must have a useful life of at least 5 years. The repayment (amortization) will not exceed the useful life of the equipment being financed. The maximum financing term that may be requested is 10 years. The program finances equipment such as rolling stock (e.g., automobiles, trucks, public safety vehicles) and computer hardware and software. Under the District of Columbia Home Rule Act, the District may issue various obligations to finance its capital needs.

Financing through the program begins with a financing company paying for the purchase of equipment for the District's use. The District makes lease payments to the financing company for such equipment, which are in effect principal

and interest payments on the amount financed, and the District gains ownership of the equipment upon completion of the payments. As of September 30, 2009, the District had financed approximately \$304 million of its capital equipment needs through the program.

Timely lease payments are necessary to satisfy the District's commitments to its investors and creditors and to maintain a good credit standing in the financial markets. Appropriations for the program are budgeted from Local funds in amounts sufficient to meet the required lease payments.

The agency's FY 2011 proposed budget is presented in the following tables:

FY 2011 Proposed Gross Funds Operating Budget, by Revenue Type

Table EL0-1 contains the proposed FY 2011 agency budget compared to the FY 2010 approved budget. It also provides FY 2008 and FY 2009 actual expenditures.

Table EL0-1

(dollars in thousands)

Appropriated Fund	Actual FY 2008	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
General Fund						
Local Funds	29,896	38,378	46,157	49,804	3,647	7.9
Total for General Fund	29,896	38,378	46,157	49,804	3,647	7.9
Gross Funds	29,896	38,378	46,157	49,804	3,647	7.9

*Percent Change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to Schedule 80, Agency Summary by Revenue Source, in the Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2011 Proposed Operating Budget, by Comptroller Source Group

Table EL0-2 contains the proposed FY 2011 budget at the Comptroller Source Group (object class) level compared to the FY 2010 approved budget. It also provides FY 2008 and FY 2009 actual expenditures.

Table EL0-2

(dollars in thousands)

Comptroller Source Group	Actual FY 2008	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
80 - Debt Service	29,896	38,378	46,157	49,804	3,647	7.9
Subtotal Nonpersonal Services (NPS)	29,896	38,378	46,157	49,804	3,647	7.9
Gross Funds	29,896	38,378	46,157	49,804	3,647	7.9

*Percent Change is based on whole dollars.

Program Description

Master Equipment Lease/Purchase Program operates through the following program:

Equipment Lease – provides financing for short-term capital equipment needs.

Program Structure Change

The Master Equipment Lease/Purchase Program had no program structure changes in the FY 2011 Proposed Budget.

FY 2011 Proposed Operating Budget and FTEs, by Program and Activity

Table EL0-3 contains the proposed FY 2011 budget by program and activity compared to the FY 2010 approved budget. It also provides FY 2009 actual data.

Table EL0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010
(1000) Equipment Lease								
(1100) Equipment Lease	38,378	46,157	49,804	3,647	0.0	0.0	0.0	0.0
Subtotal (1000) Equipment Lease	38,378	46,157	49,804	3,647	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	38,378	46,157	49,804	3,647	0.0	0.0	0.0	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary By Activity** in the **FY 2011 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2011 Proposed Budget Change

The FY 2011 budget includes an increase of \$3,647,074, which is the additional cost of debt service for planned spending on various capital projects financed through the Master Equipment Lease/Purchase Program because of an increase in planned capital purchases through the program.

FY 2010 Approved Budget to FY 2011 Proposed Budget, by Revenue Type

Table EL0-4 itemizes the changes by revenue type between the FY 2010 approved budget and the FY 2011 proposed budget.

Table EL0-4

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUND: FY 2010 Approved Budget and FTE		46,157	0.0
Enhance: To increase the cost of debt service because of planned spending by agencies on capital projects financed through the Master Lease/Purchase Program	Equipment Lease	3,647	0.0
LOCAL FUND: FY 2011 Proposed Budget and FTE		49,804	0
Gross for ELO - Master Equipment Lease/Purchase Program		49,804	0

