

# Master Equipment Lease/Purchase Program

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Description	FY 2010 Actual	FY 2011 Approved	FY 2012 Proposed	% Change from FY 2011
Operating Budget	\$43,863,086	\$49,804,074	\$53,617,192	7.7

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, 2010, the District had financed approximately \$332 million of its capital equipment needs through the program.

Timely 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 payments.

The agency's FY 2012 proposed budget is presented in the following tables:

## FY 2012 Proposed Gross Funds Operating Budget, by Revenue Type

Table EL0-1 contains the proposed FY 2012 agency budget compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

**Table EL0-1**

(dollars in thousands)

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
<b>General Fund</b>						
Local Funds	38,378	43,863	49,804	53,617	3,813	7.7
<b>Total for General Fund</b>	<b>38,378</b>	<b>43,863</b>	<b>49,804</b>	<b>53,617</b>	<b>3,813</b>	<b>7.7</b>
<b>Gross Funds</b>	<b>38,378</b>	<b>43,863</b>	<b>49,804</b>	<b>53,617</b>	<b>3,813</b>	<b>7.7</b>

\*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 FY2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

## FY 2012 Proposed Operating Budget, by Comptroller Source Group

Table EL0-2 contains the proposed FY 2012 budget at the Comptroller Source Group (object class) level compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

**Table EL0-2**

(dollars in thousands)

Comptroller Source Group	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
80 - Debt Service	38,378	43,863	49,804	53,617	3,813	7.7
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>38,378</b>	<b>43,863</b>	<b>49,804</b>	<b>53,617</b>	<b>3,813</b>	<b>7.7</b>
<b>Gross Funds</b>	<b>38,378</b>	<b>43,863</b>	<b>49,804</b>	<b>53,617</b>	<b>3,813</b>	<b>7.7</b>

\*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 has no program structure changes in the FY 2012 Proposed Budget.

## FY 2012 Proposed Operating Budget and FTEs, by Program and Activity

Table EL0-3 contains the proposed FY 2012 budget by program and activity compared to the FY 2011 approved budget. It also provides FY 2010 actual data.

**Table EL0-3**

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
<b>(1000) Equipment Lease</b>								
(1100) Equipment Lease	43,863	49,804	53,617	3,813	0.0	0.0	0.0	0.0
<b>Subtotal (1000) Equipment Lease</b>	<b>43,863</b>	<b>49,804</b>	<b>53,617</b>	<b>3,813</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Proposed Operating Budget</b>	<b>43,863</b>	<b>49,804</b>	<b>53,617</b>	<b>3,813</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

(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 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

## FY 2012 Proposed Budget Change

The FY 2012 budget includes an increase of \$3,813,118, 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 2011 Approved Budget to FY 2012 Proposed Budget, by Revenue Type

Table EL0-4 itemizes the changes by revenue type between the FY 2011 approved budget and the FY 2012 proposed budget.

**Table EL0-4**

(dollars in thousands)

	PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2011 Approved Budget and FTE</b>		<b>49,804</b>	<b>0.0</b>
Cost Increase: Debt service	Master Equipment Lease Program	3,813	0.0
<b>LOCAL FUNDS: FY 2012 Proposed Budget and FTE</b>		<b>53,617</b>	<b>0.0</b>
<b>Gross for ELO - Master Equipment Lease/Purchase Program</b>		<b>53,617</b>	<b>0.0</b>

