

Master Equipment Lease/Purchase Program

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Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	\$48,246,767	\$53,617,192	\$50,035,750	-6.7

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, 2011, the District had financed approximately \$378 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 2013 proposed budget is presented in the following tables:

FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table EL0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table EL0-1

(dollars in thousands)

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
General Fund						
Local Funds	43,863	48,247	53,617	50,036	-3,581	-6.7
Total for General Fund	43,863	48,247	53,617	50,036	-3,581	-6.7
Gross Funds	43,863	48,247	53,617	50,036	-3,581	-6.7

*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 FY 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table EL0-2 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table EL0-2

(dollars in thousands)

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
80 - Debt Service	43,863	48,210	53,617	50,036	-3,581	-6.7
83 - Debt Service PRINC Refunded-GAAP	0	37	0	0	0	N/A
Subtotal Nonpersonal Services (NPS)	43,863	48,247	53,617	50,036	-3,581	-6.7
Gross Funds	43,863	48,247	53,617	50,036	-3,581	-6.7

*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 2013 proposed budget.

FY 2013 Proposed Operating Budget and FTEs, by Program and Activity

Table EL0-3 contains the proposed FY 2013 budget by program and activity compared to the FY 2012 approved budget. It also provides FY 2011 actual data.

Table EL0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
(1000) Equipment Lease								
(1100) Equipment Lease	48,247	53,617	50,036	-3,581	0.0	0.0	0.0	0.0
Subtotal (1000) Equipment Lease	48,247	53,617	50,036	-3,581	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	48,247	53,617	50,036	-3,581	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 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Budget Change

Master Equipment Lease/Purchase Program's proposed FY 2013 gross budget is \$50,035,750, which represents a 6.7 percent decrease from its FY 2012 approved gross budget of \$53,617,192. The budget is comprised entirely of Local funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2012 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2013 CSFL budget and not necessarily changes made to the FY 2012 Local funds budget. The FY 2013 CSFL adjustments to the FY 2012 Local funds budget are described in table 4 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

Master Equipment Lease/Purchase Program's FY 2013 CSFL budget is \$54,988,445, which represents a \$1,371,253 increase over the FY 2012 approved Local funds budget of \$53,617,192.

Additionally Adjusted Budget

Cost Decrease: The FY 2013 budget proposal for Local funds reflects a decrease of \$4,952,695 in debt service payments that aligns the budget with debt service projections as of May 2012.

FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table ELO-4 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

Table ELO-4

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2012 Approved Budget and FTE		53,617	0.0
Debt Service Adjustments	Equipment Lease	1,371	0.0
FY 2013 Current Services Funding Level Budget (CSFL)		54,988	0.0
Additional Adjustments: Cost decrease	Equipment Lease	-4,953	0.0
FY 2013 Additionally Adjusted Budget		50,036	0.0
LOCAL FUNDS: FY 2013 Proposed Budget and FTE		50,036	0.0
Gross for ELO - Master Equipment Lease/Purchase Program		50,036	0.0

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