
Master Equipment Lease/Purchase Program

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Table ELO-1

Description	FY 2016 Actual	FY 2017 Approved	FY 2018 Proposed	% Change from FY 2017
OPERATING BUDGET	\$38,914,240	\$29,380,873	\$19,254,435	-34.5

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-lived capital equipment. 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.

Under the District of Columbia Home Rule Act, the District may issue various obligations to finance its capital needs. The equipment finance program finances rolling stock (e.g., automobiles, trucks, public safety vehicles) and computer hardware and software. 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.

Equipment financed through the program must have a useful life of at least five years. The repayment (amortization) will not exceed the useful life of the financed equipment. The maximum financing term that may be requested is ten years.

Appropriations for the program are budgeted from Local funds in amounts sufficient to meet the required payments. 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.

As of September 30, 2016, the District financed approximately \$537 million of its capital equipment needs through the program. Currently, \$61 million is outstanding. The final payment associated with this program is due on June 25, 2020. The capital improvement plan for Fiscal Years 2017 through 2022 initiates a short-term financing program that will replace the current equipment finance program.

The agency's FY 2018 proposed budget is presented in the following tables:

FY 2018 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table ELO-2 contains the proposed FY 2018 budget by revenue type compared to the FY 2017 approved budget. It also provides FY 2016 actual data.

Table ELO-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change
GENERAL FUND										
LOCAL FUNDS	38,914	29,381	19,254	-10,126	-34.5	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	38,914	29,381	19,254	-10,126	-34.5	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	38,914	29,381	19,254	-10,126	-34.5	0.0	0.0	0.0	0.0	N/A

*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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2018 Proposed Operating Budget, by Comptroller Source Group

Table ELO-3 contains the proposed FY 2018 budget at the Comptroller Source Group (object class) level compared to the FY 2017 approved budget. It also provides FY 2015 and FY 2016 actual expenditures.

Table ELO-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2015	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*
80 - DEBT SERVICE	43,778	38,914	29,381	19,254	-10,126	-34.5
SUBTOTAL NONPERSONAL SERVICES (NPS)	43,778	38,914	29,381	19,254	-10,126	-34.5
GROSS FUNDS	43,778	38,914	29,381	19,254	-10,126	-34.5

*Percent change is based on whole dollars.

FY 2018 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table ELO-4 contains the proposed FY 2018 budget by division/program and activity compared to the FY 2017 approved budget. It also provides FY 2016 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table ELO-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017
(1000) EQUIPMENT LEASE								
(1100) EQUIPMENT LEASE	38,914	29,381	19,254	-10,126	0.0	0.0	0.0	0.0
SUBTOTAL (1000) EQUIPMENT LEASE	38,914	29,381	19,254	-10,126	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	38,914	29,381	19,254	-10,126	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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The 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 2018 proposed budget.

FY 2017 Approved Budget to FY 2018 Proposed Budget, by Revenue Type

Table ELO-5 itemizes the changes by revenue type between the FY 2017 approved budget and the FY 2018 proposed budget. For a more comprehensive explanation of changes, please see the FY 2018 Proposed Budget Changes section, which follows the table.

Table ELO-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2017 Approved Budget and FTE		29,381	0.0
Other CSFL Adjustments	Equipment Lease	-10,126	0.0
LOCAL FUNDS: FY 2018 Current Services Funding Level (CSFL) Budget		19,254	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2018 Agency Budget Submission		19,254	0.0
No Change		0	0.0

Table ELO-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2018 Mayor's Proposed Budget		19,254	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2018 District's Proposed Budget		19,254	0.0
GROSS FOR ELO - MASTER EQUIPMENT LEASE/PURCHASE PROGRAM		19,254	0.0

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

FY 2018 Proposed Budget Changes

The Master Equipment Lease/Purchase Program's proposed FY 2018 gross budget is \$19,254,435, which represents a 34.5 percent decrease from its FY 2017 approved gross budget of \$29,380,873. 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 2017 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 FY 2018 CSFL adjustments to the FY 2017 Local funds budget are described in table 5 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.

The Master Equipment Lease/Purchase Program's FY 2018 CSFL budget is \$19,254,435, which represents a \$10,126,438, or 34.5 percent, decrease from the FY 2017 approved Local funds budget of \$29,380,873.

CSFL Assumptions

The Master Equipment Lease/Purchase Program's CSFL funding for debt service adjustments, which is not listed in detail on table 5, reflects an adjustment for a decrease of \$10,126,438 to account for revised debt service projections as the program pays off prior-year borrowing but takes on no new borrowing.

Agency Budget Submission

No Change: The Master Equipment Lease/Purchase Program's budget proposal reflects no change from the CSFL to the agency budget submission.

Mayor's Proposed Budget

No Change: The Master Equipment Lease/Purchase Program's budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.