

# Master Equipment Lease/Purchase Program

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Table ELO-1

Description	FY 2017	FY 2018	FY 2019	FY 2020	% Change
	Actual	Actual	Approved	Approved	from FY 2019
OPERATING BUDGET	\$27,444,594	\$19,254,435	\$11,844,303	\$4,485,688	-62.1
FTEs	0.0	0.0	0.0	0.0	N/A

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.

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, 2018, the District financed approximately \$537 million of its capital equipment needs through the program. Currently, \$16 million is outstanding. The final payment associated with this program is due on September 25, 2020. The capital improvement plan for Fiscal Years 2019 through 2024 initiated a short-term financing program that will replace the current equipment finance program.

The agency's FY 2020 approved budget is presented in the following tables:

## FY 2020 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table ELO-2 contains the approved FY 2020 budget by revenue type compared to the FY 2019 approved budget. It also provides FY 2017 and FY 2018 actual data.

**Table ELO-2**

(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	% Change*	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	% Change
<b>GENERAL FUND</b>												
Local Funds	27,445	19,254	11,844	4,486	-7,359	-62.1	0.0	0.0	0.0	0.0	0.0	N/A
<b>TOTAL FOR GENERAL FUND</b>	<b>27,445</b>	<b>19,254</b>	<b>11,844</b>	<b>4,486</b>	<b>-7,359</b>	<b>-62.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
<b>GROSS FUNDS</b>	<b>27,445</b>	<b>19,254</b>	<b>11,844</b>	<b>4,486</b>	<b>-7,359</b>	<b>-62.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</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 **FY 2020 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2020 Approved Operating Budget, by Comptroller Source Group

Table ELO-3 contains the approved FY 2020 budget at the Comptroller Source Group (object class) level compared to the FY 2019 approved budget. It also provides FY 2017 and FY 2018 actual expenditures.

**Table ELO-3**

(dollars in thousands)

Comptroller Source Group	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	Percentage Change*
80 - Debt Service	27,445	19,254	11,844	4,486	-7,359	-62.1
<b>SUBTOTAL NONPERSONAL SERVICES (NPS)</b>	<b>27,445</b>	<b>19,254</b>	<b>11,844</b>	<b>4,486</b>	<b>-7,359</b>	<b>-62.1</b>
<b>GROSS FUNDS</b>	<b>27,445</b>	<b>19,254</b>	<b>11,844</b>	<b>4,486</b>	<b>-7,359</b>	<b>-62.1</b>

\*Percent change is based on whole dollars.

## FY 2020 Approved Operating Budget and FTEs, by Division/Program and Activity

Table ELO-4 contains the approved FY 2020 budget by division/program and activity compared to the FY 2019 approved budget. It also provides FY 2017 and FY 2018 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 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019
<b>(1000) EQUIPMENT LEASE</b>										
(1100) Equipment Lease	27,445	19,254	11,844	4,486	-7,359	0.0	0.0	0.0	0.0	0.0
<b>SUBTOTAL (1000) EQUIPMENT LEASE</b>	<b>27,445</b>	<b>19,254</b>	<b>11,844</b>	<b>4,486</b>	<b>-7,359</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL APPROVED OPERATING BUDGET</b>	<b>27,445</b>	<b>19,254</b>	<b>11,844</b>	<b>4,486</b>	<b>-7,359</b>	<b>0.0</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 2020 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 2020 approved budget.

## FY 2019 Approved Budget to FY 2020 Approved Budget, by Revenue Type

Table ELO-5 itemizes the changes by revenue type between the FY 2019 approved budget and the FY 2020 approved budget. For a more comprehensive explanation of changes, please see the FY 2020 Approved Budget Changes section, which follows the table.

**Table ELO-5**

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2019 Approved Budget and FTE</b>		<b>11,844</b>	<b>0.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2020 Recurring Budget</b>		<b>11,844</b>	<b>0.0</b>
Decrease: To align budget with projected debt service payments	Equipment Lease	-7,359	0.0
<b>LOCAL FUNDS: FY 2020 Mayor's Proposed Budget</b>		<b>4,486</b>	<b>0.0</b>
No Change		0	0.0

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**Table ELO-5**

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2020 District's Approved Budget</b>		<b>4,486</b>	<b>0.0</b>
<b>GROSS FOR ELO - MASTER EQUIPMENT LEASE/PURCHASE PROGRAM</b>		<b>4,486</b>	<b>0.0</b>

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

**FY 2020 Approved Budget Changes**

The Master Equipment Lease/Purchase Program's approved FY 2020 gross budget is \$4,485,688, which represents a 62.1 percent decrease from its FY 2019 approved gross budget of \$11,844,303. The budget is comprised entirely of Local funds.

**Recurring Budget**

**No Change:** The Master Equipment Lease/Purchase Program's budget proposal reflects no change from the FY 2019 approved budget to the FY 2020 recurring budget.

**Mayor's Proposed Budget**

**Decrease:** The Master Equipment Lease/Purchase Program's FY 2020 budget proposal reflects a decrease of \$7,358,615 to account for revised debt service projections as the program reflects no new financing and pays off prior-year borrowing.

**District's Approved Budget**

**No Change:** The Master Equipment Lease/Purchase Program's budget reflects no change from the Mayor's proposed budget to the District's approved budget.