STATE OF CALIFORNIA

LEASE VERSUS PURCHASE ANALYSIS – EQUIPMENT

DSGN-176 (9/76)

(FOR INSTRUCT DOC. SEE SAM SECTION 3740 IF NEED)

DEPARTMENT	ORGANIZATIONAL UNIT	DATE
DESCRIPTION OF EQUIPMENT		

PROGRAM USEFUL LIFE	RATE OF RETURN	PREPARED BY	TELEPHONE NUMBER
YEARS OR ____ MONTHS			

COMPUTATION OF DISCOUNTED CASH FLOW

1. PURCHASE PRICE (INDICATE DELUXTE RENTAL CREDITS IF ANY – $ ____)		$	
2. ADD THE FOLLOWING PURCHASE COSTS: (OTHER) (PRESENT VALUE OF ANNUITY OF $1 FOR 100% OF USEFUL LIFE)			
A. MAINTENANCE PER ☐ MO. ☐ YR. ☐ ____ = $ ____	$		
B. SALES TAX	$		
C. OTHER	$		
SUBTOTAL (LINE 2A + LINE 2B + LINE 2C)		$	
3. TOTAL PURCHASE COSTS		$	
4. LESS THE FOLLOWING, IF MECHANICAL LIFE IS LONGER THAN PROGRAM LIFE:			
A. ESTIMATED SALVAGE VALUE	$		
B. PRESENT VALUE OF $1 FOR ____ PERIODS			
C. PRESENT VALUE OF SALVAGE VALUE (LINE 4A X LINE 4B)		$	
5. NET PURCHASE COSTS (LINE 3 – LINE 4)			$
6. LEASE PAYMENT PER ☐ MO. ☐ YR. ☐ (OTHER)		$	
7. ADD THE FOLLOWING LEASE COSTS FOR THE SAME PERIOD AS LINE 6 ABOVE:			
A. MAINTENANCE CONTRACT (IF NOT INCLUDED IN LEASE PAYMENT)	$		
B. SALES TAX	$		
C. OTHER	$		
SUBTOTAL (LINE 7A + LINE 7B – LINE 7C)		$	
8. TOTAL LEASE PAYMENT		$	
9. PRESENT VALUE OF ANNUITY OF $1 FOR ____ PERIODS (USEFUL LIFE)			
10. PRESENT VALUE OF THE LEASE (LINE 8 X LINE 9)			$
11. DIFFERENCE BETWEEN PURCHASE COSTS AND LEASE COSTS (LINE 10 – LINE 5 OR LINE 5 – LINE 10)			$
LINE 11 INDICATES THE POTENTIAL LIFE PERIOD SAVINGS IF ☐ PURCHASED ☐ LEASED			

COMPUTATION OF AMORTIZED COST

12. ANNUITY WHOSE PRESENT VALUE IS $1 FOR ____ PERIODS (USEFUL LIFE)			
13. AMORTIZED COST OF PURCHASE (LINE 5 X LINE 12) PER PERIOD		$	
14. DIFFERENCE IN PERIODIC PAYMENT (LINE 8 – LINE 13 OR LINE 13 – LINE 8)			$
LINE 14 INDICATES THE POTENTIAL PERIODIC PAYMENT SAVINGS IF ☐ PURCHASED ☐ LEASED			

COMPUTATION OF BREAK-EVEN POINT

15. NET PURCHASE COSTS LESS MAINTENANCE (LINE 5 – LINE 2A)	$		
16. TOTAL LEASE PAYMENT (LINE 8) LESS MAINTENANCE ($ ____) IF INCLUDED IN PAYMENT	$		
17. FACTOR FOR THE PRESENT VALUE OF ANNUITY OF $1 PER PERIOD (LINE 15 X LINE 16)			
18. BREAK-EVEN POINT = ☐ MO. ☐ YR. ☐ (OTHER) AT WHICH LINE 17 IMPEARS IN THE PRESENT VALUE OF ANNUITY OF $1 (I.E. LEASE COSTS = PURCHASE COSTS)			

19. MOST ECONOMICAL METHOD OF ACQUISITION = ☐ PURCHASE ☐ LEASE

See SAM Section 3740