Required Supplementary Information

DEFERRED MAINTENANCE AND REPAIRS

In FY 2012, GSA implemented FASAB SFFAS No. 40, *Definitional Changes Related to Deferred Maintenance and Repairs*, which amended the definition of deferred maintenance to the following:

"Deferred maintenance and repairs (DM&R) are maintenance and repairs that were not performed when they should have been or were scheduled to be and which, therefore, is put off or delayed for a future period. Maintenance and repairs are activities directed toward keeping fixed assets in an acceptable condition. Activities include preventative maintenance; replacement of parts, systems, or components; and other activities needed to preserve or maintain the asset. Maintenance and repairs, as distinguished from capital improvements, exclude activities directed towards expanding the capacity of an asset or otherwise upgrading it."

In accordance with FASAB SFFAS No. 40, GSA utilizes a Physical Condition Survey (PCS) tool to determine the amount of all repairs and alterations needed to correct major component or systems deficiencies and restore its owned buildings (and certain leased buildings where GSA has responsibility for repairs and alterations) to an acceptable condition, as well as maintenance, repairs and alterations that will be required in the next several years. This will include all such tasks whether they could be expensed or potentially associated with a capital project. The surveys are conducted biennially to inspect and electronically document such conditions, with approximately half of the building inventory being surveyed each year. The PCS is a 37 question survey that provides a regular and consistent assessment of the physical condition of each building's basic structure and systems and an overall assessment of GSA's building inventory. The process of identifying building deficiencies and developing a multi-year plan of repairs and alterations projects begins with the PCS.

Data collected in PCS is gathered to support GSA's overall building assessment, workload planning, and budgeting needs, and is not designed to specifically capture data that would be defined as DM&R. However, subsets of the workload planning directly results from conditions classified as DM&R. GSA has determined from analysis of data in PCS, that when applying certain data criteria, results can be used to provide a reasonable estimate to meet the FASAB DM&R reporting objectives. At the end of FY 2012, based on the analysis of the PCS results, GSA estimates the total cost of DM&R to be approximately $1.5 billion, for activities categorized as work needing to be performed immediately or scheduled to be performed in past years, to restore or maintain acceptable condition of the building inventory.

Prior to issuance of FASAB SFFAS No. 40, deferred maintenance was defined to only include maintenance expensed in the normal course of business. In accordance with this definition, prior to FY 2012, GSA determined that there was no material backlog of such deferred maintenance costs to report.

GSA measures the condition of its inventory of buildings by using an industry accepted metric called the Facility Condition Index (FCI). The FCI is the ratio between total Repair and Alteration Needs and the Functional Replacement Value of an asset (i.e. repair needs divided by the asset's replacement value). As of the end of FY 2012, approximately 77 percent of GSA's inventory, based on square footage, is considered in "Good Condition," with an FCI of 10 percent or less.

SUPPLEMENTAL SCHEDULE OF BUDGETARY RESOURCES

In its principal financial statements, balances reported for the FBF includes activities funded by appropriations provided by the ARRA. To provide distinct budgetary and financial visibility of ARRA activities, a separate Treasury Account Fund Symbol (TAFS) was created for the FBF ARRA activities to allow tracking and distinction from the main TAFS used for the FBF. As the FBF ARRA activities are a very significant component of the total FBF budgetary results, below is a schedule showing the activities of the individual TAFS for the years ended September 30, 2012 and 2011 (dollars in millions):

	FBF - MAIN ACCOUNT		FBF - ARRA		FBF TOTAL	
	2012	2011	2012	2011	2012	2011
BUDGETARY RESOURCES						
Unobligated Balance from Prior Year Budget Authority:						
Unobligated Balance Brought Forward, October 1	$ 5,243	$ 5,584	$ 3	$ 352	$ 5,246	$ 5,936
Recoveries of Prior Year Unpaid Obligations	236	212	70	80	306	292
Other Changes in Unobligated Balance	(80)	(71)	-	-	(80)	(71)
Unobligated Balance from Prior Year Budget Authority, Net	5,399	5,725	73	432	5,472	6,157
Appropriations	-	(25)	-	-	-	(25)
Spending Authority from Offsetting Collections:						
Collections	11,535	10,956	1	-	11,536	10,956
Change in Uncollected Customer Payments	(266)	808	-	-	(266)	808
Previously Unavailable	2,239	1,032	-	-	2,239	1,032
Resources Temporarily Not Available	(3,280)	(2,239)	-	-	(3,280)	(2,239)
Transfers	1	-	-	-	1	-
Total Spending Authority from Offsetting Collections	10,229	10,557	1	-	10,230	10,557
Total Budgetary Resources	15,628	16,257	74	432	15,702	16,689
STATUS OF BUDGETARY RESOURCES						
Obligations Incurred:						
Direct Category B	10	8	38	429	48	437
Reimbursable Category B	10,937	11,006	-	-	10,937	11,006
Total Obligations Incurred	10,947	11,014	38	429	10,985	11,443
Unobligated Balance:						
Apportioned	4,676	4,680	3	3	4,679	4,683
Unapportioned	5	563	33	-	38	563
Total Unobligated Balance, End of Period	4,681	5,243	36	3	4,717	5,246
Total Status of Budgetary Resources	15,628	16,257	74	432	15,702	16,689
CHANGE IN OBLIGATED BALANCE						
Obligated Balance, Start of Year:						
Unpaid Obligations, Brought Forward, October 1, Gross	4,308	4,297	2,760	4,284	7,068	8,581
Uncollected Customer Payments, Brought Forward, October 1	(5,073)	(4,265)	-	-	(5,073)	(4,265)
Total Obligated Balance, Start of Year, Net	(765)	32	2,760	4,284	1,995	4,316
Obligations Incurred	10,947	11,014	38	429	10,985	11,443
Outlays, Gross	(11,585)	(10,791)	(1,512)	(1,873)	(13,097)	(12,664)
Change in Uncollected Customer Payments from Federal Sources	266	(808)	-	-	266	(808)
Recoveries of Prior Year Unpaid Obligations	(236)	(212)	(70)	(80)	(306)	(292)
Obligated Balance, End of Period:						
Unpaid Obligations, End of Period, Gross	3,434	4,308	1,216	2,760	4,650	7,068
Uncollected Customer Payments from Federal Sources, End of Period	(4,807)	(5,073)	-	-	(4,807)	(5,073)
Total Obligated Balance, End of Period, Net	(1,373)	(765)	1,216	2,760	(157)	1,995
BUDGET AUTHORITY AND OUTLAYS, NET						
Budget Authority, Gross	10,230	10,532	-	-	10,230	10,532
Actual Offsetting Collections	(11,535)	(10,956)	(1)	-	(11,536)	(10,956)
Change in Uncollected Customer Payments from Federal Sources	266	(808)	-	-	266	(808)
Budget Authority, Net	(1,039)	(1,232)	(1)	-	(1,040)	(1,232)
Gross Outlays	11,585	10,791	1,512	1,873	13,097	12,664
Less: Offsetting Collections	(11,535)	(10,956)	(1)	-	(11,536)	(10,956)
Net Outlays from Operating Activity	50	(165)	1,511	1,873	1,561	1,708
Total Net Outlays	$ 50	$ (165)	$ 1,511	$ 1,873	$ 1,561	$ 1,708