

# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

## Deferred Maintenance and Repairs

In FY 2014, GSA implemented FASAB SFFAS No. 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29 and 32*, which amended the RSI presentation requirements.

GSA reports Deferred Maintenance and Repairs consistent with the definition in SFFAS 42:

*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 are put off or delayed for a future period. Maintenance and repairs are activities directed toward keeping fixed assets in an acceptable condition. Activities include preventive 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 to serve needs different from, or significantly greater than, its current use.*

GSA utilizes a Physical Condition Survey (PCS) tool to determine the amount of all repairs and alterations needed to correct major components 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 repairs and alterations that will be required in the next several years. GSA requires a PCS for every government-owned, leased, or delegated asset that meets all

the following criteria according to the Real Estate Across the United States (REXUS) system:

- GSA has repair and alteration (R&A) responsibility
- The asset maintains an “active” or “excess” status
- The asset has a real property type of “building” or “structure”

No assets meeting the criteria identified above are excluded from this requirement. The surveys are conducted biennially to inspect and electronically document building 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. All repair and alteration projects, not just those associated with DM&R, are prioritized using established weights of the pre-defined criteria and placed in order of importance.

Data collected in the 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 FYs 2016 and 2015, based on the analysis of the PCS results, GSA estimates the total cost of DM&R to be approximately \$1,214 million and \$1,230 million, respectively, for activities categorized as work needing to be performed immediately to restore or maintain acceptable condition of the building inventory. Approximately 350 buildings remain to be surveyed by the end of FY 2016.

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 2016, approximately 81 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, GSA displays balances for the two major funds (FBF and ASF) while combining all remaining funds into an "Other Funds" group. Within the Other Funds group, The Working Capital Fund (WCF) makes up approximately 65% of the total budgetary resources. As the WCF activities are a very significant component of the total Other Funds budgetary results, below is a schedule showing the activities of WCF and Other Funds for the years ended September 30, 2016 and 2015 (dollars in millions):

|   | OTHER FUNDS EXCLUDING WCF |        | WORKING CAPITAL FUND |        | OTHER FUNDS TOTAL |        |
|---|---------------------------|--------|----------------------|--------|-------------------|--------|
|   | 2016                      | 2015   | 2016                 | 2015   | 2016              | 2015   |
| <b>BUDGETARY RESOURCES</b>                                |                           |        |                      |        |                   |        |
| Unobligated Balance from Prior Year Budget Authority:     |                           |        |                      |        |                   |        |
| Unobligated Balance Brought Forward, October 1            | \$ 128                    | \$ 128 | \$ 98                | \$ 119 | \$ 226            | \$ 247 |
| Adjustment to Unobligated Balance Brought Forward         | 1                         | -      | -                    | -      | 1                 | -      |
| Recoveries of Prior Year Unpaid Obligations               | 6                         | 5      | 19                   | 9      | 25                | 14     |
| Other Changes in Unobligated Balance                      | (34)                      | (8)    | 16                   | 3      | (18)              | (5)    |
| Unobligated Balance from Prior Year Budget Authority, Net | 101                       | 125    | 133                  | 131    | 234               | 256    |
| Appropriations  | 280                       | 263    | -                    | -      | 280               | 263    |
| Spending Authority from Offsetting Collections:           |                           |        |                      |        |                   |        |
| Collections   | 47                        | 31     | 684                  | 678    | 731               | 709    |
| Change in Uncollected Customer Payments                   | 1                         | (7)    | (5)                  | (3)    | (4)               | (10)   |
| Total Spending Authority from Offsetting Collections      | 48                        | 24     | 679                  | 675    | 727               | 699    |
| Total Budgetary Resources                                 | 429                       | 412    | 812                  | 806    | 1,241             | 1,218  |

| <b>STATUS OF BUDGETARY RESOURCES</b>     |     |     |     |     |       |       |
|--|-----|-----|-----|-----|-------|-------|
| Obligations Incurred:                    |     |     |     |     |       |       |
| Direct                                   | 262 | 253 | -   | 3   | 262   | 256   |
| Reimbursable                             | 41  | 30  | 705 | 706 | 746   | 736   |
| Total Obligations Incurred               | 303 | 283 | 705 | 709 | 1,008 | 992   |
| Unobligated Balance:                     |     |     |     |     |       |       |
| Apportioned                              | 98  | 44  | 20  | 15  | 118   | 59    |
| Unapportioned                            | 28  | 85  | 87  | 82  | 115   | 167   |
| Total Unobligated Balance, End of Period | 126 | 129 | 107 | 97  | 233   | 226   |
| Total Status of Budgetary Resources      | 429 | 412 | 812 | 806 | 1,241 | 1,218 |

| <b>CHANGE IN OBLIGATED BALANCE</b>                                |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| Unpaid Obligations:   |       |       |       |       |       |       |
| Unpaid Obligations, Brought Forward, October 1, Gross             | 106   | 98    | 274   | 242   | 380   | 340   |
| Obligations Incurred  | 303   | 283   | 705   | 709   | 1,008 | 992   |
| Outlays, Gross  | (295) | (270) | (683) | (668) | (978) | (938) |
| Recoveries of Prior Year Unpaid Obligations                       | (6)   | (5)   | (19)  | (9)   | (25)  | (14)  |
| Unpaid Obligations, End of Period, Gross                          | 108   | 106   | 277   | 274   | 385   | 380   |
| Uncollected Payments:   |       |       |       |       |       |       |
| Uncollected Customer Payments, Brought Forward, October 1         | (9)   | (14)  | (9)   | (13)  | (18)  | (27)  |
| Adjustment to Uncollected Customer Payments, Brought Forward      | (1)   | -     | -     | -     | (1)   | -     |
| Change in Uncollected Customer Payments from Federal Sources      | (1)   | 7     | 5     | 3     | 4     | 10    |
| Uncollected Customer Payments from Federal Sources, End of Period | (11)  | (7)   | (4)   | (10)  | (15)  | (17)  |
| Obligated Balance, Start of Year, Oct 1:                          | 97    | 84    | 265   | 229   | 362   | 313   |
| Obligated Balance, End of Period:                                 | 97    | 99    | 273   | 264   | 370   | 363   |

| <b>BUDGET AUTHORITY AND OUTLAYS, NET</b>                     |        |        |        |         |          |        |
|--|--------|--------|--------|---------|----------|--------|
| Budget Authority, Gross                                      | \$ 327 | \$ 287 | \$ 680 | \$ 675  | \$ 1,007 | 962    |
| Actual Offsetting Collections                                | (49)   | (32)   | (684)  | (678)   | (733)    | (710)  |
| Change in Uncollected Customer Payments from Federal Sources | (1)    | 7      | 5      | 3       | 4        | 10     |
| Additional Offsets Against Budget Authority                  | 1      | 1      | -      | -       | 1        | 1      |
| Budget Authority, Net  | 278    | 263    | 1      | -       | 279      | 263    |
| Gross Outlays  | 295    | 270    | 683    | 668     | 978      | 938    |
| Less: Offsetting Collections                                 | (48)   | (32)   | (685)  | (678)   | (733)    | (710)  |
| Net Outlays from Operating Activity                          | 247    | 238    | (2)    | (10)    | 245      | 228    |
| Distributed Offsetting Receipts                              | (85)   | (107)  | -      | -       | (85)     | (107)  |
| Total Net Outlays  | \$ 162 | \$ 131 | \$ (2) | \$ (10) | \$ 160   | \$ 121 |