

# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

## Deferred Maintenance and Repairs

The U.S. General Services Administration (GSA) reports deferred maintenance and repairs (DM&R) consistent with the definition in SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32* which states "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 assets. 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.

In accordance with SFFAS No. 42, GSA has disclosable DM&R related to its inventory of buildings under the jurisdiction, custody or control of the Public Buildings Service. GSA utilizes a Building Assessment Tool (BAT) to determine the total amount of repairs and alterations (R&A) needed to correct major components or system deficiencies in federally owned buildings (and certain leased buildings where GSA has responsibility for R&A). The BAT is a 38 question survey that provides a biennial assessment of the physical conditions of each building's basic structure and systems and provides an overall assessment of GSA's building inventory. Building assessments electronically document building conditions, with approximately half of GSA's building inventory being surveyed each year. Buildings included in the assessment could be capitalized general PP&E, fully depreciated general PP&E, or non-capitalized general PP&E leased buildings. GSA requires a building assessment for every Government-owned, leased, or delegated asset that meets all the following criteria:

- GSA has R&A responsibility;
- The asset maintains an "active" or "excess" status; and
- The asset has a real property type of "building" or "structure."

GSA uses survey results to develop a multi-year plan for all R&A projects, not just those associated with DM&R, and prioritizes those projects using the established weights within each of the following categories:

- Fire, life, health, and environmental;
- Physical security;
- Serviceability;
- Special emphasis programs; or
- Tenant space alterations.

Data collected through the survey is used 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 result from conditions classified as DM&R. GSA has determined, from analysis of data in the BAT, that when applying certain criteria, results can be used to provide a reasonable estimate to meet the FASAB DM&R reporting requirements. At the end of fiscal years 2021 and 2020, based on the analysis of the BAT results, GSA estimated the total cost of DM&R to be approximately \$2.59 billion for FY 2021 and \$2.53 billion for FY 2020, for activities categorized as work needing to be performed immediately to restore or maintain acceptable conditions within the building inventory.

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). Based on the end of FY 2021 BAT data, approximately 71.93 percent of GSA's inventory, according to square footage, is considered in "Good Condition," with an FCI of 10 percent or less. There has been no significant change in reporting methodology in deferred maintenance and repairs from prior years.

## Combining Statement of Budgetary Resources

In its principal financial statements, GSA displays balances for the two major funds (the Federal Buildings Fund and the Acquisition Services Fund) while combining all remaining funds into an "Other Funds" group. Within the Other Funds group, the Working Capital Fund (WCF) and Technology Modernization Fund (TMF) make up approximately 75 percent of the total budgetary resources. As these funds are significant components of the total Other Funds budgetary results, below is a schedule showing the activities of WCF, TMF, and Other Funds for the fiscal years ended September 30, 2021, and 2020.

### Combining Statement of Budgetary Resources - Other Funds

(Dollars in Millions)

	OTHER FUNDS EXCLUDING WCF AND TMF		WORKING CAPITAL FUND		TECHNOLOGY MODERNIZATION FUND		OTHER FUNDS TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>BUDGETARY RESOURCES</b>								
Unobligated Balance from Prior Year Budget Authority, Net	\$168	\$158	\$143	\$141	\$90	\$56	\$401	\$355
Appropriations	450	306	—	2	1,025	25	1,475	333
Spending Authority from Offsetting Collections	42	44	700	693	7	6	749	743
Total Budgetary Resources	660	508	843	836	1,122	87	2,625	1,431
<b>STATUS OF BUDGETARY RESOURCES</b>								
New Obligations and Upward Adjustments	353	337	714	715	1	1	1,068	1,053
Unobligated Balance, End of Period								
Apportioned, Unexpired Accounts	75	68	15	36	84	60	174	164
Unapportioned, Unexpired Accounts	187	57	114	85	1,037	26	1,338	168
Unexpired Unobligated Balance, End of Period	262	125	129	121	1,121	86	1,512	332
Expired Unobligated Balance, End of Period	45	46	—	—	—	—	45	46
Unobligated Balance, End of Period, Total	307	171	129	121	1,121	86	1,557	378
Total Status of Budgetary Resources	660	508	843	836	1,122	87	2,625	1,431
<b>OUTLAYS, NET</b>								
Net Outlays from Operating Activity	299	261	(7)	(3)	(6)	(6)	286	252
Distributed Offsetting Receipts	(74)	(67)	—	—	—	—	(74)	(67)
Total Net Outlays	\$225	\$194	\$(7)	\$(3)	\$(6)	\$(6)	\$212	\$185