

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Deferred Maintenance and Repairs

GSA reports deferred maintenance and repairs (DM&R) consistent with the definition in SFFAS 42: Deferred maintenance and repairs are maintenance and repairs that were not performed when scheduled 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.

In accordance with SFFAS No. 42, GSA has disclosable DM&R related to its inventory of Buildings in the FBF. GSA utilizes the Building Assessment Tool (BAT) to determine the amount of all repairs and alterations (R&A) needed to correct major components or system deficiencies in owned buildings (and certain leased buildings where GSA has responsibility for R&A). 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
- 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 BAT is a 38 question survey that provides a regular and consistent assessment on the physical conditions of each building's basic structure and systems and provides an overall assessment of GSA's building inventory. The process of identifying building deficiencies and developing a multi-year plan for R&A projects begins with the BAT. All R&A projects, not just those associated with DM&R, are prioritized using established weights of the pre-defined criteria and placed in order of importance. The project with the highest score receives the highest priority. Proposed projects are categorized by:

- Serviceability
- Space alteration or revenue enhancement
- Fire, life, health, and environmental safety
- Energy use reduction projects

Data collected in the BAT 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 the BAT, that when applying certain data criteria, results can be used to provide a

reasonable estimate to meet the FASAB DM&R reporting requirements. At the end of FYs 2019 and 2018, based on the analysis of the BAT results, GSA estimates the total cost of DM&R to be approximately \$1.93 billion and \$1.455 billion respectively, for activities categorized as work needing to be performed immediately to restore or maintain acceptable condition of 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 2019 BAT data, approximately 70.95 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.

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) and Technology Modernization Fund (TMF) make up approximately 66 percent of the total budgetary resources. As these Funds are a very significant component of the total Other Funds budgetary results, below is a schedule showing the activities of WCF, TMF and Other Funds for the years ended September 30, 2019, and 2018 (dollars in millions).

	OTHER FUNDS EXCLUDING WCF AND TMF		WORKING CAPITAL FUND		TECHNOLOGY MODERNIZATION FUND		OTHER FUNDS TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
BUDGETARY RESOURCES								
Unobligated Balance from Prior Year Budget Authority, Net	\$130	\$118	\$133	\$129	\$66	\$—	\$329	\$247
Appropriations	302	261	—	—	19	89	321	350
Spending Authority from Offsetting Collections	42	50	684	659	1	—	727	709
Total Budgetary Resources	474	429	817	788	86	89	1,377	1,306
STATUS OF BUDGETARY RESOURCES								
New Obligations and Upward Adjustments	312	287	709	693	1	1	1,022	981
Unobligated Balance, End of Period								
Apportioned, Unexpired Accounts	62	63	26	20	84	88	172	171
Unapportioned, Unexpired Accounts	55	38	82	75	1	—	138	113
Unexpired Unobligated Balance, End of Period	117	101	108	95	85	88	310	284
Expired Unobligated Balance, End of Period	45	41	—	—	—	—	45	41
Unobligated Balance, End of Period, Total	162	142	108	95	85	88	355	325
Total Status of Budgetary Resources	474	429	817	788	86	89	1,377	1,306
OUTLAYS, NET								
Net Outlays from Operating Activity	256	243	(9)	36	—	—	247	279
Distributed Offsetting Receipts	(38)	(89)	—	—	—	—	(38)	(89)
Total Net Outlays	\$218	\$154	(\$9)	\$36	\$—	\$—	\$209	\$190