

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Deferred Maintenance and Repairs

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 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 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 needed to correct major components or systems deficiencies in owned buildings (and certain leased buildings where GSA has responsibility for repairs and alterations). GSA requires a Building Assessment 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 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 37 question survey that provides a regular and consistent assessment of the physical condition of each building's basic structure and systems provides 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 BAT. 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 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 objectives. At the end of FYs 2018, 2017 and 2016, based on the analysis of the BAT results, GSA estimates the total cost of DM&R to be approximately \$1.455 billion, \$1.385 billion and \$1.214 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 2018 BAT data, approximately 74.0 percent of GSA's inventory, according to 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) and Technology Modernization Fund (TMF) make up approximately 68 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, 2018, and 2017 (dollars in millions).

	OTHER FUNDS EXCLUDING WCF AND TMF		WORKING CAPITAL FUND		TECHNOLOGY MODERNIZATION FUND		OTHER FUNDS TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
BUDGETARY RESOURCES								
Unobligated Balance from Prior Year Budget Authority, Net	\$118	\$125	\$129	\$131	\$-	\$-	\$247	\$256
Appropriations	261	275	-	-	89	-	350	275
Spending Authority from Offsetting Collections	50	35	659	662	-	-	709	697
Total Budgetary Resources	429	435	788	793	89	-	1,306	1,228
MEMORANDUM ENTRIES								
Net Adjustments to Unobligated Balance Brought Forward	(3)	(1)	29	24	-	-	26	23
STATUS OF BUDGETARY RESOURCES								
New Obligations and Upward Adjustments	287	314	693	693	1	-	981	1,007
Unobligated Balance, End of Period	-	-	-	-	-	-	-	-
Apportioned, Unexpired Accounts	63	62	20	14	88	-	171	76
Unapportioned, Unexpired Accounts	38	22	75	86	-	-	113	108
Unexpired Unobligated Balance, End of Period	101	84	95	100	88	-	284	184
Expired Unobligated Balance, End of Period	41	37	-	-	-	-	41	37
Unobligated Balance, End of Period, Total	142	121	95	100	88	-	325	221
Total Status of Budgetary Resources	429	435	788	793	89	-	1,306	1,228
OUTLAYS, NET								
Net Outlays from Operating Activity	243	264	36	46	-	-	279	310
Distributed Offsetting Receipts	(89)	(84)	-	-	-	-	(89)	(84)
Total Net Outlays	\$154	\$180	\$36	\$46	\$-	\$-	\$190	\$226