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 Statements of Federal Financial Accounting Standards (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 section 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 property, plant and equipment (PP&E), fully depreciated general PP&E, or non-capitalized general PP&E leased buildings. GSA requires a building assessment for every federally-owned, leased, or delegated asset controlled by GSA 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 Federal Accounting Standards Advisory Board DM&R reporting requirements. At the end of fiscal years 2022 and 2021, based on the analysis of the BAT results, GSA estimated the total cost of DM&R to be approximately $3.13 billion for FY 2022 and $2.59 billion for FY 2021, 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 deferred 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 2022 BAT data, approximately 70.63 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, 2022, and 2021.

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	
	2022	2021	2022	2021	2022	2021	2022	2021
BUDGETARY RESOURCES								
Unobligated Balance from Prior Year Budget Authority, Net	**$310**	$168	**$201**	$143	**$867**	$90	**$1,378**	$401
Appropriations	**291**	450	**4**	—	**—**	1,025	**295**	1,475
Spending Authority from Offsetting Collections	**52**	42	**733**	700	**15**	7	**800**	749
Total Budgetary Resources	**653**	660	**938**	843	**882**	1,122	**2,473**	2,625
STATUS OF BUDGETARY RESOURCES								
New Obligations and Upward Adjustments	**378**	353	**752**	714	**2**	1	**1,132**	1,068
Unobligated Balance, End of Period								
Apportioned, Unexpired Accounts	**75**	75	**36**	15	**831**	84	**942**	174
Unapportioned, Unexpired Accounts	**157**	187	**150**	114	**49**	1,037	**356**	1,338
Unexpired Unobligated Balance, End of Period	232	262	**186**	129	**880**	1,121	**1,298**	1,512
Expired Unobligated Balance, End of Period	**43**	45	**—**	—	**—**	—	**43**	45
Unobligated Balance, End of Period, Total	**275**	307	**186**	129	**880**	1,121	**1,341**	1,557
Total Status of Budgetary Resources	**653**	660	**938**	843	**882**	1,122	**2,473**	2,625
OUTLAYS, NET								
Net Outlays (Receipts) from Operating Activity	**291**	299	**7**	(7)	**(13)**	(6)	**285**	286
Distributed Offsetting Receipts	**(225)**	(74)	**—**	—	**—**	—	**(225)**	(74)
Total Net Outlays (Receipts)	**$66**	$225	**$7**	$(7)	**$(13)**	$(6)	**$60**	$212

Accounting and Reporting on Government Land

In FY 2022, the U.S. General Services Administration (GSA) implemented a new accounting standard, SFFAS 59, *Accounting and Reporting on Government Land*, requiring the disclosure of estimated acres of land classified as General Property, Plant and Equipment (GPP&E), as well as acres held for disposal or exchange to a non-Federal entity.

40 U.S.C. § 581 and 40 U.S.C. § 3304 authorize the acquisition of property or an interest in property by GSA. Through the end of FY 2022, GSA had an estimated 9,000 acres in its custody and control. This acreage supports the agency's mission to design, deliver, and maintain safe, smart, and sustainable workspaces that enable agencies to best serve the American public.

The vast majority of GSA's land and land rights are considered operational, as defined by SFFAS 59 as predominantly used for general or administrative purposes. Current uses include: office space, public-facing facilities, courthouses, warehouses, laboratories, border stations, antennas, water towers, and storage facilities.

The following table shows land controlled by GSA's Public Buildings Service and subcategorized by predominant use:

	Commercial	Conservation and Preservation	Operational	Total Estimated Acreage
Start of FY 2022	18	—	8,759	8,777
End of FY 2022	18	—	8,660	8,678
Held for Disposal or Exchange - Start of FY 2022	—	—	112	112
Held for Disposal or Exchange - End of FY 2022	—	—	141	141

SFFAS 59 mandates the continued capitalization of land asset balances at their historical cost on the consolidated balance sheet for FY 2022 and GSA is in compliance with the new standard.