

To: Office of Legislative Budget Analysis
From: Jeffrey H. Holmes, Interim Commissioner
Date: January 14, 2026
Subject: FY2025 Annual Facility Revolving Fund (FRF) Report

Jeffrey H. Holmes, Interim Commissioner

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The FY2025 Annual Facility Revolving Fund (FRF) Report is herein submitted to the Office of Legislative Budget Analysis in accordance with P.C. 530, Section 23, Item 8, which states, "On or before February 1, 2026, the Commissioner of General Services shall submit to the Office of Legislative Budget Analysis the Annual Facilities Revolving Fund Report."

The FY2025 Facilities Revolving Fund (FRF) Revenue and Expenditure "Budget to Actual Report" and the audited FRF financial statements from the Annual Comprehensive Financial Report (ACFR) for the period ended June 30, 2025, are Attachment 1. These reports were prepared by F&A, Division of Accounts, to comply with State Building Commission By-Laws, Policy, and Procedure, Item 14.01, B, 4, (b), which states that "STREAM shall annually present to the Commission a report reflecting the expenditures and fiscal year-end condition of the FRF."

In addition, a three-year comparison of the Facilities Revolving Fund (FRF) Revenue and Expenditure "Budget to Actual Report" has been compiled and is Attachment 2. Notes have been included to assist in understanding the type of expenditures that would be posted to the various accounts and, in some cases, to explain significant variations.

As you will see, all FRF program codes reflected an under-expenditure when compared to the budget in FY2025. In addition, the unobligated FRF reserves as of July 1, 2025, were \$104,446,957.48 as reported by F&A, Division of Budget.

If you have any questions about the attached reports, please direct them to Michael Winston, Director, Office of Financial Management, at 615-806-0521 or Michael.Winston@tn.gov.

Attachments

JMW

To: Jeff Holmes, Commissioner of General Services
From: Mark E. Jaquish, Dept. Controller, GS Central Accounting
Date: January 13, 2026
Subject: Facilities Revolving Fund

Mark Jaquish
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Jaquish
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I have attached a copy of the Facilities Revolving Fund (FRF) Revenues and Expenditures “Comparison of Final Budget to Actual” report and the audited FRF financial statements from the Annual Comprehensive Financial Report (ACFR) for the period ended June 30, 2025. These reports are being provided to comply with State Building Commission By-Laws, Policy, and Procedure, Item 14.01, B, 4, b, which states that STREAM shall “annually present to the Commission a report reflecting the expenditures and fiscal year-end condition of the FRF”.

Information to complete the FRF Revenues and Expenditures Report was obtained from an Edison Trial Balance run on November 10, 2025, for the period July 1, 2024, through June 30, 2025. The Revenues and Expenditures Report reveal the fund had an operational net increase of \$8 million for the fiscal year. Actual operational revenue collections and transfers were \$20.3 million less than budgeted, and operational expenditures were \$28.3 million less than budgeted. The \$28.3 million is broken down as follows:

- Building Operations (50101) - \$1.47 million underspent
- Project Maintenance (50102) - \$0.73 million underspent
- Facilities Management (50103) - \$2.18 million underspent
- Debt Service (50105) - \$23.9 million underspent.

Capital activity reported (50104) had a net decrease of \$30.6 million for the fiscal year. Actual revenues and transfers related to capital items were \$47.45 million less than reserve funds appropriated for use, and capital expenditures were \$.001 million less than budgeted.

Questions pertaining to the FRF Revenues and Expenditures Budget to Actual Report or the ACFR may be forwarded to me (615-532-8276) or Victor Nwanso (615-532-1827).

Attachment

cc: David Thurman, Head of Budget

Facilities Revolving Fund (FRF)

As of June 30, 2025

(all amounts in millions)

Account	Final FY 25 Authorized Budget	Actual 7/1/2024 to 06/30/2025	Actual > Budget
Operational Activity			
Revenues:			
FRF Rent Billing		147.761	
Reimbursement of Tenant Alterations		9.884	
Post Mortem		0.376	
Interest Earnings		18.152	
Other		4.440	
Total Revenue	149.851	180.612	30.762
Operating Transfer in	12.302	12.302	-
Reserve Funds Appropriated for Use	51.029	-	(51.029)
Total Available	\$ 213.182	\$ 192.914	\$ (20.267)
Expenditures:			
Department of General Services:			
50101			
Operations, Maintenance, and Support		53.118	
Tenant Alterations Billable		9.527	
Utilities		22.253	
	\$ 86.371	\$ 84.898	\$ (1.473)
50102			
Operational and Major Maintenance		4.676	
Tenant Alterations Billable		0.325	
	\$ 5.727	\$ 5.001	\$ (0.726)
50103			
Contract Rent		52.135	
Tenant Alterations Billable		0.115	
Post Mortem		0.376	
Management and Support		13.376	
Operations and Maintenance		11.092	
	\$ 79.270	\$ 77.095	\$ (2.176)
Debt Service:			
50105			
Bond Principal		15.633	
Interest on Debt		2.281	
Bond Issue Cost		-	
Total Debt Service Expenditures	\$ 41.814	\$ 17.914	\$ (23.900)
Total Expenditures			
	\$ 213.182	\$ 184.908	\$ (28.274)
Operational Net Revenues (Rev less Exp)			
	\$ -	\$ 8.007	\$ 8.007
Capital Activity:			
Funding Sources			
Revenue			
Sale of Real Estate	-	16.850	16.850
Revenue - Donation	-	-	-
Revenue - Proceeds from Insurance	-	-	-
Reserve Funds Appropriated for Use	47.447	-	(47.447)
	\$ 47.447	\$ 16.850	\$ (30.597)
Funding Uses			
SBC/Capital Projects Management:			
50104			
Construction and Renovation	47.447	47.446	(0.001)
	\$ 47.447	\$ 47.446	\$ (0.001)
Capital Net Revenues (Rev less Exp)			
	\$ -	\$ (30.596)	\$ (30.596)

STATE OF TENNESSEE
Combining Statement of Net Position
Internal Service Funds
June 30, 2025
(Expressed in Thousands)

	<u>Strategic Technology Solutions</u>	<u>Risk Management</u>	<u>Motor Vehicle Management</u>	<u>General Services Printing</u>	<u>Facilities Revolving Fund</u>	<u>Employee Group Insurance</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 123,691	\$ 322,657	\$ 42,400	\$ 5,806	\$ 377,884	\$ 355,646
Receivables, net	514	4,094	10	-	388	1,819
Due from other funds	830	-	-	-	12,399	-
Due from component units	-	42	-	-	30	-
Inventories, at cost	389	-	-	655	-	-
Prepayments	-	-	-	-	-	-
Total current assets	<u>125,424</u>	<u>326,793</u>	<u>42,410</u>	<u>6,461</u>	<u>390,701</u>	<u>357,465</u>
Noncurrent assets:						
Right-to-use lease receivable	-	-	-	-	4,725	-
Restricted net other postemployment benefits assets	953	-	38	32	-	-
Capital assets:						
Land, at cost	-	-	-	-	63,205	-
Structures and improvements, at cost	-	-	-	-	888,457	-
Machinery and equipment, at cost	97,569	-	278,219	2,826	3,475	-
Right-to-use-leases and subscriptions	85,551	-	43,964	305	372,031	-
Less: Accumulated depreciation and amortization	(87,311)	-	(172,263)	(2,902)	(472,929)	-
Construction in progress	-	-	-	-	245,372	-
Total noncurrent assets	<u>96,762</u>	<u>-</u>	<u>149,958</u>	<u>261</u>	<u>1,104,336</u>	<u>-</u>
Total assets	<u>222,186</u>	<u>326,793</u>	<u>192,368</u>	<u>6,722</u>	<u>1,495,037</u>	<u>357,465</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>29,048</u>	<u>-</u>	<u>489</u>	<u>677</u>	<u>47</u>	<u>-</u>
LIABILITIES						
Current liabilities:						
Accounts payable	32,375	5,251	7,021	403	72,138	101,644
Accrued payroll and related deductions	12,661	-	165	324	-	-
Due to other funds	43	1,049	-	-	306	3
Due to component units	-	531	-	-	7	69
Lease and subscription obligations payable	19,281	-	13,333	62	32,566	-
Bond payable	-	-	-	-	14,977	-
Unearned revenue	-	-	-	-	-	53,107
Others	-	159,936	-	-	-	-
Total current liabilities	<u>64,360</u>	<u>166,767</u>	<u>20,519</u>	<u>789</u>	<u>119,994</u>	<u>154,823</u>
Noncurrent liabilities:						
Pension	13,500	-	185	251	-	-
Lease and subscription obligations payable	44,171	-	5,815	28	238,339	-
Bonds payable	-	-	-	-	108,013	-
Others	25,210	110,222	272	313	-	-
Total noncurrent liabilities	<u>82,881</u>	<u>110,222</u>	<u>6,272</u>	<u>592</u>	<u>346,352</u>	<u>-</u>
Total liabilities	<u>147,241</u>	<u>276,989</u>	<u>26,791</u>	<u>1,381</u>	<u>466,346</u>	<u>154,823</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,248</u>	<u>-</u>	<u>221</u>	<u>229</u>	<u>5,282</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	32,356	-	130,774	140	705,357	-
Restricted for:						
Capital projects	-	-	-	-	463	-
Other postemployment benefits	953	-	38	32	-	-
Unrestricted	61,436	49,804	35,033	5,617	317,636	202,642
Total net position	<u>\$ 94,745</u>	<u>\$ 49,804</u>	<u>\$ 165,845</u>	<u>\$ 5,789</u>	<u>\$ 1,023,456</u>	<u>\$ 202,642</u>

STATE OF TENNESSEE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	<u>Strategic Technology Solutions</u>	<u>Risk Management</u>	<u>Motor Vehicle Management</u>	<u>General Services Printing</u>	<u>Facilities Revolving Fund</u>	<u>Employee Group Insurance</u>
Operating revenues						
Charges for services	\$ 347,209	\$ 87,511	\$ 76,736	\$ 9,584	\$ 158,771	\$ 1,000
Premiums	-	-	-	-	-	1,043,252
Total operating revenues	<u>347,209</u>	<u>87,511</u>	<u>76,736</u>	<u>9,584</u>	<u>158,771</u>	<u>1,044,252</u>
Operating expenses						
Personal services	153,915	-	1,999	3,227	-	-
Contractual services	139,286	15,913	5,244	3,514	105,695	44,788
Materials and supplies	2,576	-	29,998	1,390	9,501	-
Rentals and insurance	19	20,673	902	11	6,901	-
Depreciation and amortization	29,804	2	41,689	110	55,865	-
Benefits	-	55,792	48	-	-	1,006,442
Other	176	108	18	10	-	7,280
Total operating expenses	<u>325,776</u>	<u>92,488</u>	<u>79,898</u>	<u>8,262</u>	<u>177,962</u>	<u>1,058,510</u>
Operating income (loss)	<u>21,433</u>	<u>(4,977)</u>	<u>(3,162)</u>	<u>1,322</u>	<u>(19,191)</u>	<u>(14,258)</u>
Nonoperating revenues (expenses)						
Insurance claims recoveries	-	-	278	-	3,978	-
Gain on sales of capital assets	(223)	(60)	-	-	8,836	-
Interest income	-	12,261	-	-	18,321	13,751
Interest expense	(2,609)	-	(1,128)	(1)	(10,536)	-
Total nonoperating revenues (expenses)	<u>(2,832)</u>	<u>12,201</u>	<u>(850)</u>	<u>(1)</u>	<u>20,599</u>	<u>13,751</u>
Income (loss) before contributions and transfers	18,601	7,224	(4,012)	1,321	1,408	(507)
Capital contributions	-	-	3,502	8	12,226	-
Transfers in	3,022	-	11,114	1,031	142,527	3,011
Transfers out	-	-	-	-	(244)	-
Change in net position	21,623	7,224	10,604	2,360	155,917	2,504
Net position, July 1	87,134	42,580	155,380	3,597	867,539	200,138
Adjustments to net position, July 1	(14,012)	-	(139)	(168)	-	-
Net position, July 1, restated	73,122	42,580	155,241	3,429	867,539	200,138
Net position, June 30	<u>\$ 94,745</u>	<u>\$ 49,804</u>	<u>\$ 165,845</u>	<u>\$ 5,789</u>	<u>\$ 1,023,456</u>	<u>\$ 202,642</u>

STATE OF TENNESSEE
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Strategic Technology Solutions	Risk Management	Motor Vehicle Management	General Services Printing	Facilities Revolving Fund	Employee Group Insurance
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 7,724	\$ 43,582	\$ 488	\$ 69	\$ 891	\$ 487,670
Receipts from interfund services provided	397,792	40,644	75,153	9,514	146,274	623,001
Payments to suppliers	(161,565)	(62,830)	(30,011)	(3,663)	(6,426)	(1,100,564)
Payments to employees	(150,257)	-	(1,968)	(3,214)	-	(1,677)
Payments for interfund services used	(20,827)	(9,534)	(5,082)	(1,451)	(67,686)	(936)
Net cash provided by (used for) operating activities	<u>72,867</u>	<u>11,862</u>	<u>38,580</u>	<u>1,255</u>	<u>73,053</u>	<u>7,494</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	2,778	-	11,114	1,031	142,527	3,011
Net cash provided by (used for) noncapital financing activities	<u>2,778</u>	<u>-</u>	<u>11,114</u>	<u>1,031</u>	<u>142,527</u>	<u>3,011</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(28,049)	-	(46,011)	(32)	(206,356)	-
Proceeds from sale of capital assets	-	-	5,346	-	16,913	-
Proceeds from lease receivables	-	-	-	-	354	-
Insurance claims recoveries	-	-	278	-	3,978	-
Principal payments	(19,427)	-	(14,619)	(61)	(51,911)	-
Interest paid	(570)	-	(1,144)	(1)	(11,951)	-
Net cash provided by (used for) capital and related financing activities	<u>(48,046)</u>	<u>-</u>	<u>(56,150)</u>	<u>(94)</u>	<u>(248,973)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	12,261	-	-	18,321	13,751
Net cash provided by (used for) investing activities	<u>-</u>	<u>12,261</u>	<u>-</u>	<u>-</u>	<u>18,321</u>	<u>13,751</u>
Net increase (decrease) in cash and cash equivalents	27,599	24,123	(6,456)	2,192	(15,072)	24,256
Cash and cash equivalents, July 1	96,092	298,534	48,856	3,614	392,956	331,390
Cash and cash equivalents, June 30	<u>\$ 123,691</u>	<u>\$ 322,657</u>	<u>\$ 42,400</u>	<u>\$ 5,806</u>	<u>\$ 377,884</u>	<u>\$ 355,646</u>
Reconciliation of operating income to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 21,433	\$ (4,977)	\$ (3,162)	\$ 1,322	\$ (19,191)	\$ (14,258)
Adjustment to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	29,804	2	41,689	110	55,865	-
Loss on disposal of capital assets	-	-	(1,527)	-	-	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Decrease (increase) in receivables	6	(3,638)	(1)	-	1	2,533
Decrease (increase) in due from other funds	(6)	-	434	-	(11,156)	-
Decrease (increase) in due from component units	-	412	-	-	(30)	-
Decrease (increase) in inventories	(92)	-	-	(306)	-	-
Decrease (increase) in prepaids	-	-	-	-	-	-
Decrease (increase) in net pension assets	159	-	2	3	-	-
Decrease (increase) in net OPEB assets	(953)	-	(38)	(32)	-	-
Decrease (increase) in deferred outflows of resources	19,378	-	345	389	-	-
Increase (decrease) in accounts payable	(3,108)	18,524	773	(297)	47,749	15,875
Increase (decrease) in due to other funds	43	1,049	-	-	242	-
Increase (decrease) in due to component units	-	490	-	-	(6)	(3)
Increase (decrease) in deferred inflows of resources	6,203	-	65	66	(421)	-
Increase (decrease) in unearned revenue	-	-	-	-	-	3,347
Total adjustments	<u>51,434</u>	<u>16,839</u>	<u>41,742</u>	<u>(67)</u>	<u>92,244</u>	<u>21,752</u>
Net cash provided by (used for) operating activities	<u>\$ 72,867</u>	<u>\$ 11,862</u>	<u>\$ 38,580</u>	<u>\$ 1,255</u>	<u>\$ 73,053</u>	<u>\$ 7,494</u>
Schedule of noncash investing, capital, and financing activities						
Contributions of capital assets	\$ -	\$ -	\$ 3,502	\$ 8	\$ 12,226	\$ -
Capital assets disposed of by transfer	-	-	-	-	(244)	-
Capital assets acquired by transfer	244	-	-	-	-	-
Right-to-use assets acquired	71,931	-	11,154	-	47,363	-
Right-to-use assets retired	-	-	-	-	(1,463)	-
Refunding bond premium	-	-	-	-	1,247	-
Refunding bond proceeds	-	-	-	-	43	-
Total noncash capital and related financing activities	<u>\$ 72,175</u>	<u>\$ -</u>	<u>\$ 14,656</u>	<u>\$ 8</u>	<u>\$ 59,172</u>	<u>\$ -</u>

To: SBC Staff
From: Michael Winston, Director, DGS Office of Financial Management
Date: January 14, 2026
Subject: FY25 FRF Variance Analysis

J. Michael Winston
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Michael Winston
Date: 2026.01.14 12:37:44
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Operational Activities –

For the fiscal year ending June 30, 2025, the Facilities Revolving Fund (FRF) had operating revenues and transfers-in of state appropriations totaling \$192.9M and total program expenditures of \$184.9M, resulting in overall net revenue of \$8.8M. Net revenue is added to FRF Reserves at the end of each fiscal year and held until appropriated for further use.

Operational Activity Highlights for FY25

- Operational revenues increased compared to FY24. The overall increase of 2.37% \$4.2M was largely driven by \$4M in reimbursements from Risk Management for wind and freeze damages to FRF properties. Changes in the portfolio include a reduction in billable square footage from agency space consolidations and moves for Treasury, Labor and Workforce Development, and General Services. The large reserve appropriation was primarily to recognize the large interest revenues.
- 50102 – Operational and Major Maintenance overall decreased 2% (\$103,000).
- 50101 – FRF operational costs increased by 10% (\$8M) from FY24. A portion of this increase can be attributed to tenant-requested alterations beyond the typical scope of FRF's normal operational maintenance. FRF is reimbursed these costs from the agencies requesting the alterations. Utilities costs increased 4.5% (\$969,000). Normal operations, maintenance, and support costs increased 12.3% (\$5.8M) largely driven by security services, janitorial, insurance, and general maintenance costs.
- 50103 – Contract rent expense increased by 3.7% (\$1.9M) primarily due to existing lease contract rent increases. Operations and Maintenances costs were \$5.8M more than the previous year largely due to onetime furniture costs.

Capital Activities –

For the fiscal year ending June 30, 2025, Capital project expenses totaled \$47.4M. Funding for capital projects is appropriated to a specific budget year; however, actual project expenditures are spread over a multi-year design and construction period. Unspent capital project appropriations are accrued to FRF Reserves as an obligated amount until the project is completed and the funds are expended.

Capital Activity Highlights for FY25

- FY25 construction and renovation costs were primarily from projects approved in prior years. Capital project expenses typically span multiple fiscal years. The largest expenditures for FY25 are for projects at the Multi-Agency Law Enforcement Training Academy (MALETA), the Tennessee Tower, and the Capitol.

Unobligated FRF Reserve Balance –

The unobligated FRF Reserve balance on July 1, 2025, as reported by F&A, was \$104,446,957.48.

I would be glad to address any questions you may have about the three-year budget to actual comparison. If you have a question about the FY25 FRF Annual Report, I will assist to the degree I can, or I will consult with the report preparer, DGS Central Accounting Office (F&A).

You may contact me by email at Michael.Winston@tn.gov or call me at 615-806-0521.

**Facilities Revolving Fund (FRF)
Revenues and Expenditures
Budget to Actual Comparison (3 Years)**

Account	As of June 30, 2023			As of June 30, 2024			As of June 30, 2025		
	Final FY23 Authorized Budget	Actual 7/1/2023 to 6/30/2023	Actual > Budget	Final FY24 Authorized Budget	Actual 7/1/2023 to 6/30/2024	Actual > Budget	Final FY25 Authorized Budget	Actual 7/1/2024 to 6/30/2025	Actual > Budget
Operational Activity									
Revenues:									
Note #1 FRF Rent Billing		141,791,000			146,298,000			147,761,000	
Note #2 Reimbursement of Tenant Alterations		4,944,000			8,659,000			9,884,000	
Note #3 Post Mortem		407,000			231,000			376,000	
Note #4 Interest Earnings		14,212,000			21,068,000			18,152,000	
Note #5 Other		522,000			183,000			4,440,000	
Sub-Total Revenue	151,647,000	161,876,000	10,229,000	152,052,000	176,438,000	24,386,000	149,851,000	180,612,000	30,761,000
Note #6 Operating Transfer In	12,302,000	12,302,000	-	12,302,000	12,302,000	-	12,302,000	12,302,000	-
Note #7 Reserve Funds Appropriated for Use	16,612,000	-	(16,612,000)	30,197,000	-	(30,197,000)	51,029,000	-	(51,029,000)
Total Available	180,561,000	174,178,000	(6,383,000)	194,551,000	188,740,000	(5,811,000)	213,182,000	192,914,000	(20,268,000)
Expenditures:									
Department of General Services:									
50101									
Operations, Maintenance, and Support		39,886,000			47,308,000			53,118,000	
Note #8 Tenant Alterations Billable		4,843,000			8,282,000			9,527,000	
Utilities		23,263,000			21,284,000			22,253,000	
50102									
Operational and Major Maintenance		67,992,000	(288,000)	77,086,000	76,874,000	(212,000)	86,371,000	84,898,000	(1,473,000)
Tenant Alterations Billable		4,505,000			4,925,000			4,676,000	
Other		96,000			179,000			325,000	
Total	4,662,000	4,601,000	(61,000)	5,411,000	5,104,000	(307,000)	5,727,000	5,001,000	(726,000)
50103									
Contract Rent		49,220,000			50,260,000			52,135,000	
Note #8 Tenant Alterations Billable		120,000			198,000			115,000	
Note #10 Post Mortem		407,000			231,000			376,000	
Note #11 Management and Support		9,562,000			13,544,000			13,376,000	
Note #12 Operations and Maintenance		4,392,000			5,290,000			11,092,000	
Total	69,507,000	63,701,000	(5,806,000)	69,563,000	69,523,000	(40,000)	79,270,000	77,095,000	(2,175,000)
Debt Service:									
50105									
Bond Principal		16,266,000			15,967,000			15,633,000	
Interest on Debt		2,672,000			2,625,000			2,281,000	
Commercial Paper Interest		-			-			-	
Bond Issue Cost		-			-			-	
Total Debt Service Expenditures	38,112,000	18,938,000	(19,174,000)	42,492,000	18,592,000	(23,900,000)	41,814,000	17,914,000	(23,900,000)
Total Expenditures	180,561,000	155,232,000	(25,329,000)	194,551,000	170,093,000	(24,459,000)	213,182,000	184,908,000	(28,275,000)
Operational Net Revenues (Rev. less Exp.)	-	18,946,000	18,946,000	-	18,647,000	18,647,000	-	8,007,000	8,007,000
Capital Activity									
Funding Sources:									
Revenue									
Note #13 Sale of Real Estate		22,656,000	22,656,000		-	-		16,850,000	16,850,000
Note #14 Revenue - Donation		1,625,000	1,625,000		-	-		-	-
Note #15 Revenue - Proceeds from Insurance		395,000	395,000		-	-		-	-
Note #16 Transfers In		-	(10,924,000)	18,670,000	-	(18,670,000)	47,447,000	-	(47,447,000)
Note #17 Reserve Funds Appropriated for Use	10,924,000	-	-	18,670,000	-	(18,670,000)	47,447,000	-	(47,447,000)
Total	10,924,000	24,676,000	13,752,000	18,670,000	-	(18,670,000)	47,447,000	16,850,000	(30,597,000)
Funding Uses:									
SBC/Capital Projects Management:									
50104									
Note #18 Construction and Renovation	10,924,000	10,720,000	(204,000)	18,670,000	18,601,000	(69,000)	47,447,000	47,446,000	(1,000)
Total	10,924,000	10,720,000	(204,000)	18,670,000	18,601,000	(69,000)	47,447,000	47,446,000	(1,000)
Capital Net Revenues (Rev. less Exp.)	-	13,956,000	13,956,000	-	(18,601,000)	(18,601,000)	-	(30,596,000)	(30,596,000)
Combined Net Revenues	-	32,902,000	32,902,000	-	46,000	46,000	-	(22,589,000)	(22,589,000)

Unobligated FRF Reserve (furnished by F&A Budget)

141,496,229
as of July 1, 2023
85,983,637
as of July 1, 2024*

*Originally reported \$111,463,146 as of July 1, 2024. This was the June 30, 2024 number. July 1, 2024 was \$85,883,637.

Note #1	FRF Rent Billing	Billable SF in FY23 was 7,455,331. Billable SF in FY24 was 7,224,875. Billable SF in FY25 was 7,185,725. Based on June FRF Billing Reports - Billable Square Footage Reconciliation. FY24 net decrease in billable square footage largely due to consolidations of agency square footage in the FRF portfolio. FY25 net decrease in billable square footage largely due to consolidations of agency square footage in the FRF portfolio including for Treasury, Labor and Workforce Development, and General Services.
Note #2	Reimbursement of Tenant Alterations	Tenant alterations revenue is received from agencies for the performance of maintenance/repair services considered to be reimbursable. Tenant alterations vary year to year in quantity and cost.
Note #3	Post Mortem	Reimbursement revenue received from Health at two (2) Post Mortem locations, Nashville and Memphis.
Note #4	Interest Earnings	Funds appropriated for capital projects accrue interest until the funds are spent.
Note #5	Other Revenue	FY23 includes the operation of the Ballpark, settlement funds from a fire at the John Sevier Building, and Covid costs reimbursements. FY24 includes the operation of the Ballpark and other small miscellaneous revenues. FY25 includes reimbursements from risk management for wind and freeze damages to FRF properties.
Note #6	Operating Transfer In	State appropriations received to fund operations.
Note #7	Reserve Funds Appropriated for Use	Budget entry made by F&A to recognize reserves appropriated for use. For FY23, \$1.5M was allotted to 50101 to recognize accruals, \$1M to 50102 for maintenance needs, and \$14.2M to 50105 to recognize interest earned. For FY24, \$10.8M was allotted to process expenses and accruals in 50101, \$0.8M was allotted for maintenance needs in 50102, \$55,000 allotted for landlord reimbursements in 50103, and \$18.6M to 50105 to recognize interest earned. For FY25, \$20M for budget authority for accruals and operational maintenance needs, \$1.1M in 50102 for maintenance needs and accruals, \$12M to increase budget authority in 50103 for furniture costs, maintenance, and accruals, and \$17.9M to 50105 for debt service.
Note #8	Tenant Alterations Billable	Expenses associated with maintenance/repair services that are considered to be outside the scope of FRF's normal operational maintenance.
Note #9	Contract Rent	Expenses for paying landlords for leased space. FY24 slight increase largely due to existing lease contract rent increases and reimbursements to landlords. FY25 increase due to additional space for agencies including Human Services and Safety and due to existing lease contract rent increases.
Note #10	Post Mortem	Expenses related to Post Mortem facilities. See Note #3.
Note #11	Management and Support	Expenses associated with management and administrative overhead.
Note #12	Operations and Maintenance	Lease related expenses occurring outside the scope of the rent agreement (Contract Rent). Primarily this is for furniture expense for new or updated office space.
Note #13	Land and Building Sale Proceeds	FY23: Sales proceeds were received for the sale of 88 Hermitage in Nashville (\$20.3M), the old THP Headquarters in Knoxville (\$2.11M), and an office in Dyersburg (\$245.7k). FY24: No sales of real estate. FY25: Sales proceeds were received for the sale of Citizens Plaza (\$16M) and 20 Vann Drive in Jackson (\$850k). Real estate sale proceeds are restricted for capital outlay.
Note #14	Revenue - Donation	FY23: \$1.63M donation from State Museum Foundation for new museum.
Note #15	Revenue - Proceeds from Insurance	Insurance proceeds for tornado damage to the Tennessee State Museum Roof from the March 2020 storms.
Note #16	Capital Project Transfer In	Approved capital projects for FY25 (\$74.7M) funded four capital improvement projects including the Capitol Towers Building Purchase, State Capitol Roof Replacement, THP District 3 HQ Nashville - New Facility, and THP District 7 HQ Columbia - New Facility. Maintenance projects included a NERHO Chiller Replacement.
Note #17	Reserve Funds Appropriated for Use	Reserve funds appropriated for use on capital projects. These projects were funded in previous fiscal years and the funds are held in reserve until spent.
Note #18	Construction and Renovation	Capital project expenses typically span multiple fiscal years. Largest expenditures for FY25 are for projects at the Multi-Agency Law Enforcement Training Academy (MALETA), the Tennessee Tower, and the Capitol.