


To: Office of Legislative Budget Analysis
From: Christi Branscom, Commissioner 
Date: February 1, 2022
Subject: FY2021 Annual Facility Revolving Fund (FRF) Report

The FY2021 Annual Facility Revolving Fund (FRF) Report is herein submitted to the Office of Legislative Budget Analysis in accordance with P.C. 454, Section 23, Item 9, which states "On or before February 1, 2022, the Commissioner of General Services shall submit to the Office of Legislative Budget Analysis the Annual Facilities Revolving Fund Report."

The FY2021 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, 2021, are attachment 1. These reports were prepared by F&A, Division of Accounts, in order 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 FY2021. In addition, the unobligated FRF reserves as of July 1, 2021, were \$104,842,619, as reported by F&A, Division of Budget.

If you have any question 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: Christi Branscom, Commissioner of General Services
From: Kristi Couch, Dept. Controller, GS Central Accounting
Date: January 27, 2022
Subject: Facilities Revolving Fund

Kristi Couch Digitally signed by Kristi Couch
Date: 2022.01.27 09:27:10
-0600

I have attached a copy of the Facilities Revolving Fund (FRF) Revenue and Expenditure “Budget to Actual Report” and the audited FRF financial statements from the Comprehensive Annual Financial Report (CAFR) for the period ended June 30, 2021. 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 “RPA (STREAM) shall annually present to the SBC a report reflecting the expenditures and fiscal year-end condition of FRF”.

Information to complete the FRF Revenue and Expenditure Report was obtained from an Edison Trial Balance run on December 07, 2021 for the period July 1, 2020, through June 30, 2021. The Revenue and Expenditure Report reveals the fund had an operational net increase of \$25.8 million for the fiscal year. Actual operational revenue collections and transfers were \$5.2 million more than budgeted, and operational expenditures were \$20.6 million less than budgeted. The \$20.6 million is broken down as follows:

- Building Operations (50101) - \$4.4 million underspent
- Project Maintenance (50102) - \$1 million underspent
- Facilities Management (50103) - \$9.1 million underspent
- Debt Service (50105) - \$6.1 million underspent.

Capital activity reported (50104) had a net decrease of \$52.3 million for the fiscal year. Actual revenues and transfers related to capital items were \$52.3 million less than budgeted, and capital expenditures were at par with budgeted.

Questions pertaining to the FRF Revenue and Expenditures Budget to Actual Report or the CAFR may be forwarded to me (615-741-0431) or Victor Nwanso (615-532-1827).

Attachment

cc: Angela Scott, Capital Budget Coordinator

Facilities Revolving Fund (FRF)
Revenues and Expenditures
Comparison of Final Budget to Actual
As of June 30, 2021
(all amounts in millions)

| Account | Final FY 21 Authorized Budget | Actual 7/1/2020 to 06/30/2021 | Actual > Budget |
|--|-------------------------------------|-------------------------------------|--------------------|
| Operational Activity | | | |
| Revenues: | | | |
| FRF Rent Billing | | 141.865 | |
| Reimbursement of Tenant Alterations | | 3.213 | |
| Post Mortem | | 0.112 | |
| Interest Earnings | | 0.250 | |
| Other | | 4.809 | |
| Total Revenue | 145.432 | 150.250 | 4.818 |
| Operating Transfer in | 12.400 | 13.066 | 0.666 |
| Reserve Funds Appropriated for Use | 0.250 | - | (0.250) |
| Total Available | \$ 158.081 | \$ 163.315 | \$ 5.234 |
| Expenditures: | | | |
| Department of General Services: | | | |
| 50101 | | | |
| Operations, Maintenance, and Support | | 37.112 | |
| Tenant Alterations Billable | | 2.749 | |
| Utilities | | 18.742 | |
| | \$ 62.968 | \$ 58.603 | \$ (4.366) |
| 50102 | | | |
| Operational and Major Maintenance | | 2.417 | |
| Tenant Alterations Billable | | 0.215 | |
| | \$ 3.680 | \$ 2.632 | \$ (1.048) |
| 50103 | | | |
| Contract Rent | | 47.542 | |
| Tenant Alterations Billable | | 0.086 | |
| Post Mortem | | 0.292 | |
| Management and Support | | 8.339 | |
| Operations and Maintenance | | 1.942 | |
| | \$ 67.283 | \$ 58.201 | \$ (9.082) |
| Debt Service: | | | |
| 50105 | | | |
| Bond Principal | | 13.299 | |
| Interest on Debt | | 4.592 | |
| Commercial Paper Interest | | 0.144 | |
| Bond Issue Cost | | - | |
| Total Debt Service Expenditures | \$ 24.150 | \$ 18.035 | \$ (6.115) |
| Total Expenditures | | | |
| | \$ 158.081 | \$ 137.471 | \$ (20.610) |
| Operational Net Revenues (Rev less Exp) | | | |
| | \$ - | \$ 25.844 | \$ 25.844 |
| Capital Activity: | | | |
| Funding Sources | | | |
| Revenue | | | |
| Sale of Real Estate | | - | - |
| Revenue - Donation | - | 8.644 | 8.644 |
| Transfers In | - | - | - |
| Reserve Funds Appropriated for Use | 60.949 | | (60.949) |
| | \$ 60.949 | \$ 8.644 | \$ (52.305) |
| Funding Uses | | | |
| SBC/Capital Projects Management: | | | |
| 50104 | | | |
| Construction and Renovation | 60.949 | 60.949 | |
| | \$ 60.949 | \$ 60.949 | \$ - |
| Capital Net Revenues (Rev less Exp) | | | |
| | | \$ (52.305) | \$ (52.305) |

STATE OF TENNESSEE
Combining Statement of Net Position
Internal Service Funds
June 30, 2021
(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 | \$ 108,600 | \$ 234,195 | \$ 56,245 | \$ 1,239 | \$ 329,828 | \$ 271,864 |
| Receivables, net | 1,251 | 319 | 39 | - | 554 | 2,720 |
| Due from other funds | 238 | - | - | - | 505 | - |
| Due from component units | - | 43 | - | - | 9 | - |
| Inventories, at cost | 354 | - | - | 235 | - | - |
| Prepayments | - | - | - | 14 | - | - |
| Total current assets | <u>110,443</u> | <u>234,557</u> | <u>56,284</u> | <u>1,488</u> | <u>330,896</u> | <u>274,584</u> |
| Noncurrent assets: | | | | | | |
| Due from other funds | 9 | - | - | - | - | - |
| Net investment in capital leases | - | - | - | - | 5,575 | - |
| Restricted net pension assets | 928 | - | 10 | 24 | - | - |
| Capital assets: | | | | | | |
| Land, at cost | - | - | - | - | 62,414 | - |
| Structures and improvements, at cost | - | - | - | - | 881,735 | - |
| Machinery and equipment, at cost | 69,849 | - | 189,742 | 3,224 | 2,246 | - |
| Less: Accumulated depreciation | (47,747) | - | (114,350) | (2,402) | (306,643) | - |
| Construction in progress | - | - | - | - | 11,961 | - |
| Total noncurrent assets | <u>23,039</u> | <u>-</u> | <u>75,402</u> | <u>846</u> | <u>657,288</u> | <u>-</u> |
| Total assets | <u>133,482</u> | <u>234,557</u> | <u>131,686</u> | <u>2,334</u> | <u>988,184</u> | <u>274,584</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>24,345</u> | <u>-</u> | <u>276</u> | <u>543</u> | <u>1,606</u> | <u>-</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 15,403 | 621 | 2,959 | 404 | 11,043 | 74,278 |
| Accrued payroll and related deductions | 8,376 | - | 90 | 181 | - | - |
| Due to other funds | - | 12 | - | 11 | 3 | 1 |
| Due to component units | - | 59 | - | - | 7 | 57 |
| Lease obligations payable | - | - | - | - | 472 | - |
| Bond payable | - | - | - | - | 13,349 | - |
| Unearned revenue | - | 1 | - | - | - | 42,212 |
| Others | - | 83,835 | - | - | - | - |
| Total current liabilities | <u>23,779</u> | <u>84,528</u> | <u>3,049</u> | <u>596</u> | <u>24,874</u> | <u>116,548</u> |
| Noncurrent liabilities: | | | | | | |
| Pension | 40,782 | - | 441 | 1,031 | - | - |
| Lease obligations payable | - | - | - | - | 6,149 | - |
| Commercial paper payable | - | - | - | - | 63,332 | - |
| Bonds payable | - | - | - | - | 123,740 | - |
| Others | 17,037 | 109,667 | 290 | 482 | - | - |
| Total noncurrent liabilities | <u>57,819</u> | <u>109,667</u> | <u>731</u> | <u>1,513</u> | <u>193,221</u> | <u>-</u> |
| Total liabilities | <u>81,598</u> | <u>194,195</u> | <u>3,780</u> | <u>2,109</u> | <u>218,095</u> | <u>116,548</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>5,988</u> | <u>-</u> | <u>327</u> | <u>331</u> | <u>34</u> | <u>-</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 22,102 | - | 75,392 | 822 | 446,243 | - |
| Restricted for: | | | | | | |
| Capital projects | - | - | - | - | 1,276 | - |
| Pensions | 928 | - | 10 | 24 | - | - |
| Unrestricted | 47,211 | 40,362 | 52,453 | (409) | 324,142 | 158,036 |
| Total net position | <u>\$ 70,241</u> | <u>\$ 40,362</u> | <u>\$ 127,855</u> | <u>\$ 437</u> | <u>\$ 771,661</u> | <u>\$ 158,036</u> |

STATE OF TENNESSEE
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(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 | \$ 261,499 | \$ 59,263 | \$ 46,406 | \$ 5,502 | \$ 158,443 | \$ 1,000 |
| Premiums | - | - | - | - | - | 777,737 |
| Total operating revenues | <u>261,499</u> | <u>59,263</u> | <u>46,406</u> | <u>5,502</u> | <u>158,443</u> | <u>778,737</u> |
| Operating expenses | | | | | | |
| Personal services | 124,453 | - | 1,227 | 2,911 | - | - |
| Contractual services | 129,833 | 12,425 | 4,889 | 2,856 | 89,554 | 37,253 |
| Materials and supplies | 11,519 | - | 15,264 | 835 | 1,943 | - |
| Rentals and insurance | 12 | 20,104 | 9,247 | 10 | 45,611 | - |
| Depreciation and amortization | 12,068 | - | 17,043 | 412 | 17,209 | - |
| Benefits | - | 25,470 | 126 | - | - | 826,058 |
| Other | 4,744 | - | - | 2 | 6 | 4,963 |
| Total operating expenses | <u>282,629</u> | <u>57,999</u> | <u>47,796</u> | <u>7,026</u> | <u>154,323</u> | <u>868,274</u> |
| Operating income (loss) | <u>(21,130)</u> | <u>1,264</u> | <u>(1,390)</u> | <u>(1,524)</u> | <u>4,120</u> | <u>(89,537)</u> |
| Nonoperating revenues (expenses) | | | | | | |
| Insurance claims recoveries | - | - | 227 | - | 201 | - |
| Gain on sales of capital assets | - | - | - | - | (256) | - |
| Interest income | - | 171 | - | - | 249 | 232 |
| Interest expense | - | - | - | - | (5,815) | - |
| Total nonoperating revenues (expenses) | <u>-</u> | <u>171</u> | <u>227</u> | <u>-</u> | <u>(5,621)</u> | <u>232</u> |
| Income (loss) before contributions and transfers | <u>(21,130)</u> | <u>1,435</u> | <u>(1,163)</u> | <u>(1,524)</u> | <u>(1,501)</u> | <u>(89,305)</u> |
| Capital contributions | - | - | 636 | - | 206 | - |
| Transfers in | 7,846 | - | 4,671 | 394 | 13,082 | - |
| Transfers out | <u>(16)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(19)</u> | <u>-</u> |
| Change in net position | <u>(13,300)</u> | <u>1,435</u> | <u>4,144</u> | <u>(1,130)</u> | <u>11,768</u> | <u>(89,305)</u> |
| Net position, July 1 | <u>83,541</u> | <u>38,927</u> | <u>123,711</u> | <u>1,567</u> | <u>759,893</u> | <u>247,341</u> |
| Net position, June 30 | <u>\$ 70,241</u> | <u>\$ 40,362</u> | <u>\$ 127,855</u> | <u>\$ 437</u> | <u>\$ 771,661</u> | <u>\$ 158,036</u> |

STATE OF TENNESSEE
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(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 | \$ 8,032 | \$ 19,943 | \$ 560 | \$ 26 | \$ 6,129 | \$ 360,906 |
| Receipts from interfund services provided | 253,723 | 39,389 | 43,578 | 5,476 | 149,658 | 464,817 |
| Payments to suppliers | (129,384) | (48,601) | (25,611) | (2,432) | (68,139) | (888,178) |
| Payments to employees | (118,621) | - | (1,282) | (3,007) | - | (2,385) |
| Payments for interfund services used | (15,102) | (7,927) | (4,809) | (1,059) | (73,901) | (1,563) |
| Net cash provided by (used for) operating activities | (1,352) | 2,804 | 12,436 | (996) | 13,747 | (66,403) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers in | 7,827 | - | 4,671 | 394 | 13,066 | - |
| Net cash provided by (used for) noncapital financing activities | 7,827 | - | 4,671 | 394 | 13,066 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Purchase of capital assets | (5,465) | - | (20,770) | - | (45,851) | - |
| Bond and commercial paper proceeds | - | - | - | - | 58,278 | - |
| Proceeds from sale of capital assets | - | - | 5,045 | - | 580 | - |
| Insurance claims recoveries | - | - | 227 | - | 201 | - |
| Principal payments | - | - | - | - | (23,731) | - |
| Interest paid | - | - | - | - | (7,089) | - |
| Net cash provided by (used for) capital and related financing activities | (5,465) | - | (15,498) | - | (17,612) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received | - | 171 | - | - | 250 | 232 |
| Net cash provided by (used for) investing activities | - | 171 | - | - | 250 | 232 |
| Net increase (decrease) in cash and cash equivalents | 1,010 | 2,975 | 1,609 | (602) | 9,451 | (66,171) |
| Cash and cash equivalents, July 1 | 107,590 | 231,220 | 54,636 | 1,841 | 320,377 | 338,035 |
| Cash and cash equivalents, June 30 | \$ 108,600 | \$ 234,195 | \$ 56,245 | \$ 1,239 | \$ 329,828 | \$ 271,864 |
| Reconciliation of operating income to net cash provided by (used for) operating activities | | | | | | |
| Operating income (loss) | \$ (21,130) | \$ 1,264 | \$ (1,390) | \$ (1,524) | \$ 4,120 | \$ (89,537) |
| Adjustment to reconcile operating income (loss) to net cash from operating activities: | | | | | | |
| Depreciation and amortization | 12,068 | - | 17,043 | 412 | 17,209 | - |
| Loss (gain) on disposal of capital assets | 4,652 | - | (2,376) | - | - | - |
| Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources: | | | | | | |
| (Increase) decrease in receivables | (145) | (122) | 42 | - | 25 | 9,149 |
| (Increase) decrease in due from other funds | 402 | - | - | - | 725 | - |
| (Increase) decrease in due from component units | - | 68 | - | - | (9) | - |
| (Increase) decrease in inventories | 49 | - | - | 36 | - | - |
| (Increases) decreases in assets held for sale | - | - | 65 | - | - | - |
| (Increase) decrease in prepaids | - | - | - | (14) | - | - |
| (Increase) decrease in net pension assets | 125 | - | 1 | 7 | - | - |
| (Increase) decrease in deferred outflows of resources | 4,873 | - | (6) | (24) | - | - |
| Increase (decrease) in accounts payable | 3,257 | 1,530 | (844) | 222 | (4,882) | 13,789 |
| Increase (decrease) in due to other funds | (457) | 8 | (4) | (2) | (50) | (9) |
| Increase (decrease) in due to component units | - | 56 | - | - | 6 | (18) |
| Increase (decrease) in deferred inflows of resources | (5,046) | - | (95) | (109) | - | - |
| Increase (decrease) in unearned revenue | - | - | - | - | (3,397) | 223 |
| Total adjustments | 19,778 | 1,540 | 13,826 | 528 | 9,627 | 23,134 |
| Net cash provided by (used for) operating activities | \$ (1,352) | \$ 2,804 | \$ 12,436 | \$ (996) | \$ 13,747 | \$ (66,403) |
| Schedule of noncash investing, capital, and financing activities | | | | | | |
| Contributions of capital assets | \$ - | \$ - | \$ 636 | \$ - | \$ 206 | \$ - |
| Assets acquired by transfer | 19 | - | - | - | 16 | - |
| Capital assets disposed of by transfer | (16) | - | - | - | (19) | - |
| Amortization of bond premium | - | - | - | - | 2,030 | - |
| Amortization of bond discount | - | - | - | - | (986) | - |
| Total noncash capital and related financing activities | \$ 3 | \$ - | \$ 636 | \$ - | \$ 1,247 | \$ - |



To: SBC Staff
From: Michael Winston, Director, DGS Office of Financial Management
Date: February 1, 2022
Subject: FY21 FRF Variance Analysis

J. Michael Winston
Digitally signed by Michael Winston
Date: 2022.02.01 16:30:17 -06'00'

Operational Activities –

For the fiscal year ending June 30, 2021, FRF had operating revenues and transfers-in of state appropriations totaling \$163.3M and total program expenditures of \$137.5M, resulting in overall net revenue of \$25.8M. Net revenue is added to FRF Reserves at the end of each fiscal year and held until appropriated for further use.

Highlights for FY21

- Operational Revenues increased slightly compared to FY20. While rent revenue collected from tenants increased by 5% (\$6.5M), interest earnings declined by 96% (\$6.4M). The remaining difference primarily includes reimbursements from TEMA for Covid costs.
- 50101 – Operations, Maintenance, and Support expense decreased by 1.5% (\$0.9M) from FY20. However, this is still higher than FY19 due to increased costs for janitorial services.
- 50103 – Contract rent expense decreased by 2.1% (\$1.2M) primarily due to the purchase of 310 Great Circle, a formerly leased location. Together with the previous year's decrease, this represents the full annual rent cost that was associated with 310 Great Circle.
- 50105 – Total debt service expense decreased by 5.8% (\$1.1M). This decrease is the result of lower principal and interest payments due to the use of cash to fund capital projects in prior years instead of issuing more bonds.

Capital Activities –

For the fiscal year ending June 30, 2021, FRF received capital funding totaling \$8.6M and capital project expenses totaling \$61M, resulting in overall net deficit of \$52.3M. 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. The net deficit for FY21 is the result of capital project expenses occurring in FY21, whereas the appropriations occurred in prior fiscal years (i.e. a reduction to obligated FRF Reserves).

Highlights for FY21

- The State received a donation of \$5.25M to go to the construction of the new State Museum.

- FY21 construction and renovation costs were primarily from projects approved in prior years. The largest expenses in FY21 are for construction of the new Library & Archives Building, the State Museum, and TBI and Tennessee Highway Patrol facilities in Jackson, and renovation of the John Sevier building.

Unobligated FRF Reserve Balance –

The unobligated FRF Reserve balance on July 1, 2021, as reported by F&A, was \$104.8M.

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 FY21 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).

I can be contacted by email (Michael.Winston@tn.gov) or at 615-806-0521.

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

| Account | As of June 30, 2019 | | | As of June 30, 2020 | | | As of June 30, 2021 | | |
|--|------------------------------|------------------------------|-----------------|------------------------------|------------------------------|-----------------|------------------------------|------------------------------|-----------------|
| | Final FY19 Authorized Budget | Actual 7/1/2018 to 6/30/2019 | Actual > Budget | Final FY20 Authorized Budget | Actual 7/1/2019 to 6/30/2020 | Actual > Budget | Final FY21 Authorized Budget | Actual 7/1/2020 to 6/30/2021 | Actual > Budget |
| Revenues: | | | | | | | | | |
| <i>Note #1</i> FRF Rent Billing | | 132,677,000 | | | 135,385,000 | | | 141,865,000 | |
| <i>Note #2</i> Reimbursement of Tenant Alterations | | 2,826,000 | | | 3,340,000 | | | 3,213,000 | |
| <i>Note #3</i> Post Mortem | | 325,000 | | | 314,000 | | | 112,000 | |
| <i>Note #4</i> Interest Earnings | | 9,726,000 | | | 6,667,000 | | | 250,000 | |
| <i>Note #5</i> Other | | 313,000 | | | 161,000 | | | 4,809,000 | |
| Sub-Total Revenue | | 145,866,000 | 14,271,000 | | 145,867,000 | 9,509,000 | | 150,250,000 | 4,819,000 |
| <i>Note #6</i> Operating Transfer In | | 13,066,000 | - | | 13,066,000 | - | | 13,066,000 | 666,000 |
| <i>Note #7</i> Reserve Funds Appropriated for Use | | 12,826,000 | (12,826,000) | | 7,427,000 | (7,427,000) | | 250,000 | (250,000) |
| Total Available | | 157,487,000 | 1,445,000 | | 158,933,000 | 2,082,000 | | 158,081,000 | 5,235,000 |
| Expenditures: | | | | | | | | | |
| Department of General Services: | | | | | | | | | |
| 50101 | | | | | | | | | |
| Operations, Maintenance, and Support | | 34,360,000 | | | 37,134,000 | | | 37,112,000 | |
| Tenant Alterations Billable | | 2,524,000 | | | 2,778,000 | | | 2,749,000 | |
| Utilities | | 20,572,000 | | | 19,558,000 | | | 18,742,000 | |
| 50102 | | | (265,000) | | 59,470,000 | (305,000) | | 58,603,000 | 4,366,000 |
| Operational and Major Maintenance | | 2,114,000 | | | 2,170,000 | | | 2,417,000 | |
| Tenant Alterations Billable | | 2,641,000 | (527,000) | | 2,407,000 | (994,000) | | 2,632,000 | (1,048,000) |
| 50103 | | | | | | | | | |
| Contract Rent | | 49,130,000 | | | 48,074,000 | | | 47,542,000 | |
| Tenant Alterations Billable | | 305,000 | | | 333,000 | | | 86,000 | |
| Post Mortem | | 238,000 | | | 240,000 | | | 292,000 | |
| Management and Support | | 7,211,000 | | | 8,045,000 | | | 8,339,000 | |
| Operations and Maintenance | | 2,597,000 | | | 2,719,000 | | | 1,942,000 | |
| Debt Service: | | | (4,018,000) | | 59,411,000 | (3,697,000) | | 58,201,000 | (9,082,000) |
| 50105 | | | | | | | | | |
| Bond Principal | | 14,468,000 | | | 13,964,000 | | | 13,299,000 | |
| Interest on Debt | | 5,811,000 | | | 5,183,000 | | | 4,592,000 | |
| Commercial Paper Interest | | 10,000 | | | - | | | 144,000 | |
| Bond Issue Cost | | - | | | - | | | - | |
| Total Debt Service Expenditures | | 20,289,000 | (13,337,000) | | 19,147,000 | (11,420,000) | | 18,035,000 | (6,115,000) |
| Total Expenditures | | 157,487,000 | (18,147,000) | | 140,435,000 | (16,416,000) | | 137,471,000 | (20,610,000) |
| Operational Net Revenues (Rev. less Exp.) | | - | 19,592,000 | | 18,498,000 | 18,498,000 | | 25,845,000 | 25,845,000 |
| Funding Sources: | | | | | | | | | |
| Revenue | | | | | | | | | |
| <i>Note #13</i> Sale of Real Estate | | 5,000,000 | 5,000,000 | | - | 6,535,000 | | - | 8,644,000 |
| <i>Note #14</i> Revenue - Donation | | 5,500,000 | 5,500,000 | | 6,535,000 | 11,473,000 | | - | - |
| <i>Note #15</i> Transfers In | | 20,090,000 | - | | 24,990,000 | - | | - | - |
| <i>Note #16</i> Reserve Funds Appropriated for Use | | 72,788,000 | (72,788,000) | | 87,539,000 | (87,539,000) | | 60,949,000 | (60,949,000) |
| Funding Uses: | | | | | | | | | |
| SBC/Capital Projects Management: | | | | | | | | | |
| 50104 | | | | | | | | | |
| <i>Note #17</i> Construction and Renovation | | 92,878,000 | - | | 112,529,000 | - | | 60,949,000 | - |
| | | 92,878,000 | - | | 112,529,000 | - | | 60,949,000 | - |
| Capital Net Revenues (Rev. less Exp.) | | - | (62,288,000) | | (62,288,000) | (62,288,000) | | (52,305,000) | (52,305,000) |
| Combined Net Revenues | | - | (42,696,000) | | (51,033,000) | (51,033,000) | | (26,460,000) | (26,460,000) |

Unobligated FRF Reserve (furnished by F&A Budget)

as of July 1, 2019 79,176,232
as of July 1, 2020 95,526,497
as of July 1, 2021 104,842,619

| | | |
|----------|-------------------------------------|---|
| Note #1 | FRF Rent Billing | Billable SF in FY19 was 7,688,476. Billable SF in FY20 was 7,529,867. Billable SF in FY21 was 7,699,171. Based on June FRF Billing Reports - Billable Square Footage Reconciliation. FY21 square footage increase due to opening of the new State Library and Archive building. FY21 rent collections increased due to an increase in the FRF rate for Davidson County office space and in A87 rates. |
| 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. Memphis location started in FY15. |
| Note #4 | Interest Earnings | Funds appropriated for capital projects accrue interest until the funds are spent. FY21 decrease due to low interest rate returns. |
| Note #5 | Other Revenue | FY19 includes reimbursement from Risk Management related to property loss at Citizens Plaza and Andrew Jackson Buildings. FY20 includes Metro's contribution to the operation of the Ballpark, sale of flags, and TVA rebates. FY21 primarily includes Covid costs reimbursements from TEMA. |
| 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 excess interest revenue received. See Note #4. For FY19, \$9.726M is attributable to excess interest revenue. The remaining \$3.1M was allotted to 50103 to allow expenses to process until outstanding encumbrances could be moved to FY20 for furniture and supplies not received by June 30, 2019. For FY20, \$6.667M was for interest revenue received. The remaining \$760k was to allow for processing of expenses for the March 2020 tornado. For FY21, \$250,000 was allotted to 50105 to recognize interest. |
| 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. Recent increases due to increasing market lease rate, especially in Middle TN. Also attributed to an increase in replacement leases as a result of ending holdover leases. FY20 and FY21 expense was moderated by the purchase of 310 Great Circle, formerly a leased location. |
| 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 | FY19: Sale of 4110 Charlotte Avenue (\$5M). FY20: No sale proceeds were received. FY21: No sale proceeds were received. |
| Note #14 | Revenue - Donation | FY19: \$5.5M donation from State Museum Foundation for new museum. FY20: \$6.5M donation from State Museum Foundation for new museum. FY21: \$5.25M donation from State Museum Foundation for new museum. \$3.4M for Library and Archives Parking Garage (earned portion of \$5M from Metro Nashville as part of the ballpark deal). |
| Note #15 | Capital Project Transfer In | Approved capital projects for FY21 (\$7M) included State Capitol Ceiling Repairs, Andrew Johnson Vital Records Fire System Upgrades, RS Gass State Lab Water Pump replacement, Davy Crockett Covered Parking ceiling, and statewide Interior Renovation Upgrades Phase 3. |
| Note #16 | Reserve Funds Appropriated for Use | Reserve funds appropriated for use on capital projects. |
| Note #17 | Construction and Renovation | Capital Project expenses typically span multiple fiscal years. Largest expenditures for FY21 are for projects at John Sevier, the State Museum, the new Jackson TBI/THP facilities, the new Library and Archives, and the THP headquarters |