

## FACILITY CONDITION ASSESSMENT & BUDGETING SYSTEM

CAMPUS WIDE FACILITYFORECAST®  
PORTFOLIO @ A GLANCE®  
PROJECT @ A GLANCE®

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## FACILITYFORECAST® OVERVIEW

FacilityForecast® Software is a unique facilities condition assessment and budgeting system designed to forecast and manage long-term capital replacement and operating expenses, depreciation expenses, and income. The system efficiently and effectively manages expense data for the single stand-alone facility or for complex properties, such as campus-style facilities or multiple-site real estate portfolios. Reports are designed for use at all levels of management, *“from the boiler room to the board room”*.

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## FACILITYFORECAST® - “THE NEED”

Managers are challenged with volumes of data to process and analyze when evaluating multiple buildings or a portfolio of properties. Prior to FacilityForecast®, establishing accurate 2- to 30-year capital replacement and operating expense budgets took an enormous amount of time, and was often a highly subjective process. Most find the process too time consuming, unreliable, and thus, the long-term capital replacement budgeting process has not been used effectively. This has resulted in management relying on short-term budgets rather than complete cost information.

Current spreadsheet software and budgeting tools fall short of today’s need for accurate forecasting of critical capital replacement and operating expenses. CFOs, property managers, facility engineers, investors, and owners all suffer from the time-consuming chore of creating these budgets, exacerbated by limited tools and resources.

zumBrunnen, Inc., having provided facility condition assessment services for 25+ years, has developed the FacilityForecast® Software System to provide accurate and trusted information in an easy to learn and use software application. This tool can be readily applied to all industries accountable for managing buildings, as well as processes and systems.

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## FACILITYFORECAST® SYSTEM SPECIFICATION

- ❑ **Developed in C++ Software**
- ❑ **Compatible with Microsoft Windows operating systems**
- ❑ **Desktop Application with Online Help**
- ❑ **Downloadable from the Internet**

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## **FACILITYFORECAST® CUSTOMIZED DESIGN**

FacilityForecast® is specifically designed for owners, facility engineers, and property managers to maintain and keep data current to meet their analysis and reporting needs. Markets serviced by FacilityForecast® include the following:

<b>Senior Living</b>	<b>Religious</b>	<b>Industrial Complexes</b>	<b>Office</b>
<b>Healthcare</b>	<b>Resorts</b>	<b>Hospitality</b>	<b>Institutional</b>
<b>Education</b>	<b>HOA</b>	<b>Golf Courses</b>	<b>Retail</b>
<b>Restaurant Chains</b>	<b>Multi-Family</b>	<b>Condominiums</b>	<b>Government</b>
<b>Sport Facilities</b>	<b>Entertainment</b>	<b>Mixed-Use</b>	<b>Private Clubs</b>

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## **FACILITYFORECAST® FEATURES and BENEFITS**

- ❑ **Minimize data entry time by up to 70%**
- ❑ **Mitigate data entry errors by up to 90%**
- ❑ **Mitigate potential for incorrect tabulations and calculations**
- ❑ **8 pre-formulated forecasting methods pinpoint replacement schedules**
- ❑ **Minimize due-diligence liability with comprehensive and accurate data**
- ❑ **Ensure amortization of all planned expenses and income**
- ❑ **Ensure adequate reserves for high-cost years and the unexpected**
- ❑ **Standardize corporate reporting formats and data**
- ❑ **Reduce costs through collective purchasing power and master agreements**
- ❑ **Master strategic planning and create alternative models**
- ❑ **Provide concise reports and drill-down to critical data**
- ❑ **Develop reliable benchmark data**
- ❑ **EZ annual data and budget review and updating**

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## **FACILITYFORECAST® TABLES AND CHARTS**

Tables and charts compile a mountain of data into precise and revealing data reports, which allow you to pinpoint “critical issues”. From here, drill-down to supporting data in the budget reports. These table and chart reports allow you to filter and select various options, including the term of the reports, amortization term, inflation and interest rates, expense classification, and budget mix.

On the following pages are sample tables and charts of:

- ❑ **Individual Budget Report**
- ❑ **Portfolio @ A Glance® & Budget Comparison**
- ❑ **Annual Cost Per Unit & Square Foot**
- ❑ **Cost Category & Budget Totals**
- ❑ **Facility Condition Index**
- ❑ **Reserve Funding Plans**

## INDIVIDUAL BUDGET REPORT

*Specifically, what are the capital replacement needs for each building or property?*

Individual budget reports are provided for the various components of a subject property; such as a budget for each building, department, or for FF&E, an assemblage of equipment or manufacturing processes, or other specified budget subjects.

### Report Features and Options:

- Item Description & Comments
- Begin & End Dates
- Effective & Remaining Useful Life
- Quantity & Unit Pricing
- Filter By Item Classifications
- Specify Reporting Terms In Years
- Filter By Cost Categories
- Generate Reports By Any Combination Of Budgets
- Photo Reports
- Specify Pricing Method For Each Item
- Select Forecast Methods: Over 10 Pre-Formulated Methods To Tie Each Budget Item To Your Business Model
- FCI: Percentage Of Replacement
- Specify Various Inflation And Interest Rates
- Import/ Export Data: Excel

*Table VII: Individual Budget for a Building*

Catg.	Items Description	Begin Date	EUL	Quantity	Unit	Unit Cost	Estimated Cost	Pricing Method	Item Class	2005 Year 1	2006 Year 2	2007 Year 3	2008 Year 4	2009 Year 5	Totals
03.07	Replace unit only hardware	1982	25	70	ea	\$250.00	\$17,500	In-house	CAP			\$17,500			\$17,500
<b>03.08</b>	<b>Vertical Circulation</b>														
03.08	Elevators - 1 door, rebuild/upgrade	1993	25	2	ea	\$35,000.00	\$70,000	Contract	CAP				\$70,000		\$70,000
<b>03.09</b>	<b>Exterior Paint and Caulk</b>														
03.09	Paint exterior items	1993	7	1	ls	\$1,500.00	\$1,500	Contract	CAP			\$1,500			\$1,500
03.09	Caulk brick expansion joints	1994	15	1	ls	\$6,000.00	\$6,000	Contract	CAP					\$6,000	\$6,000
<b>03.10</b>	<b>Specials</b>														
03.10	Services and purchase fire extinguishers	1993		19	ea	\$12.00	\$228	In-house	OPER						
03.10	Service 10 lb. fire extinguishers	1995		6	ea	\$15.00	\$90	In-house	OPER				\$180		\$180
<b>03.12</b>	<b>Appliances</b>														
03.12	Dishwashers	1993	15	28	ea	\$300.00	\$8,400	In-house	CAP	\$399	\$429	\$475	\$526	\$573	\$2,401
03.12	Disposals	1993	8	28	ea	\$50.00	\$1,400	In-house	CAP	\$174	\$174	\$175	\$175	\$175	\$674
03.12	Microwaves	1993	10	25	ea	\$100.00	\$2,500	In-house	CAP	\$256	\$251	\$247	\$245	\$245	\$1,244
03.12	Refrigerators	1983	15	53	ea	\$500.00	\$26,500	In-house	CAP	\$1,258	\$1,355	\$1,437	\$1,557	\$1,600	\$7,676
03.12	Stoves/ovens	1983	20	28	ea	\$450.00	\$12,600	In-house	CAP	\$857	\$727	\$601	\$482	\$400	\$3,085
03.12	Washers	1983	10	11	ea	\$400.00	\$4,400	In-house	CAP	\$460	\$442	\$435	\$432	\$432	\$2,199
<b>04.01</b>	<b>HVAC</b>														
04.01	Heat pump - 5 ton	1998	17	2	ea	\$4,000.00	\$8,000	In-house	CAP						
04.01	Unit heat pumps, average cost	1983	25	153	ea	\$3,500.00	\$535,500	In-house	CAP				\$535,500		\$535,500
<b>04.03</b>	<b>Fire Sprinkler System</b>														
04.03	Misc. equipment, devices and valves	1993	5	1	ls	\$500.00	\$500	Contract	OPER				\$500		\$500
<b>04.04</b>	<b>Electrical</b>														
04.04	750KVA transformer	1983	25	1	ea	\$10,000.00	\$10,000	Contract	CAP				\$10,000		\$10,000
<b>05.01</b>	<b>Common Area Floor Covering</b>														
05.01	Replace common area carpet	1997	10	1	ls	\$44,000.00	\$44,000	Contract	CAP			\$44,000			\$44,000
<b>05.02</b>	<b>Common Area Wallcovering</b>														
05.02	Replace common area VNC	1997	10	1	ls	\$44,000.00	\$44,000	Contract	CAP			\$44,000			\$44,000
<b>05.03</b>	<b>Common Area Ceilings</b>														
05.03	Acoustical ceiling tile replacement	1983	25	4,200	sf	\$0.60	\$2,520	In-house	CAP				\$2,520		\$2,520
<b>05.04</b>	<b>Interior Paint</b>														
05.04	Paint doors, trim, ceilings common areas	1997	10	1	ls	\$22,000.00	\$22,000	Contract	CAP			\$22,000			\$22,000
<b>05.06</b>	<b>Unit Refresh</b>														
05.06	Unit refresh: carpet, pad, vinyl, paint, counter tops, misc.	1983	7	70	ea	\$2,800.00	\$196,000	Contract	CAP	\$26,008	\$26,024	\$26,020	\$26,008	\$25,996	\$130,056
<b>Expense Total</b>										<b>\$29,402</b>	<b>\$29,401</b>	<b>\$169,450</b>	<b>\$702,834</b>	<b>\$37,739</b>	<b>\$968,827</b>
<b>Percent of Replacement Cost:</b>										<b>1.33%</b>	<b>1.33%</b>	<b>7.68%</b>	<b>31.87%</b>	<b>1.71%</b>	

*We recommend listing every item, regardless of remaining life to ensure all costs are funded; as budgets are updated year-to-year, new items do not have to be identified and added.*

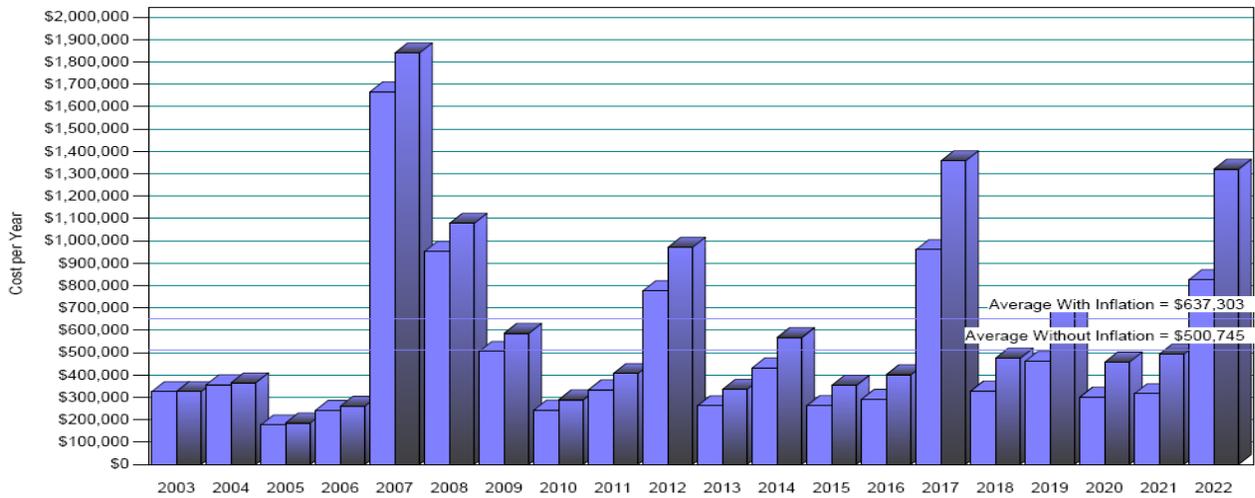
□ **SUMMARY REPORTS**

Individual budget reports are compiled into a variety of summary reports. The summary tables and charts detailed below demonstrate how to capture and collate a “mountain of data” into precise and meaningful analytical reports.

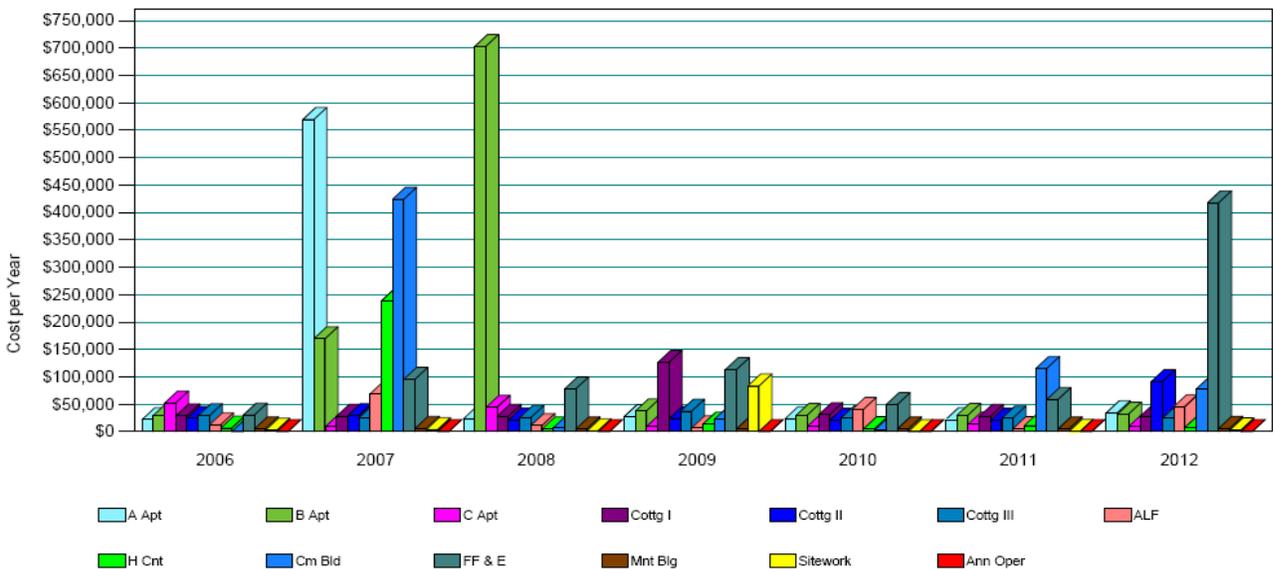
□ **PORTFOLIO @ A GLANCE® & BUDGET COMPARISON**

Envision being able to see your entire portfolio profiled over any specified budget term, say 20, 30 or more years. What a powerful presentation and analysis tool. Within seconds, you can analyze and see the cost needs of either a single building, any combination of buildings, or an entire portfolio! Data is best viewed initially in a chart profile of the entire portfolio using Portfolio @ A Glance®. From here, using the Comparison Report, you can drill-down to a select building profile chart or budget table report.

*Chart I-B.01: Reserve Budgets - Profile for All Buildings (or Properties)*



*Chart I-A.01: Annual Reserve Comparison of Each Building for Each Year*



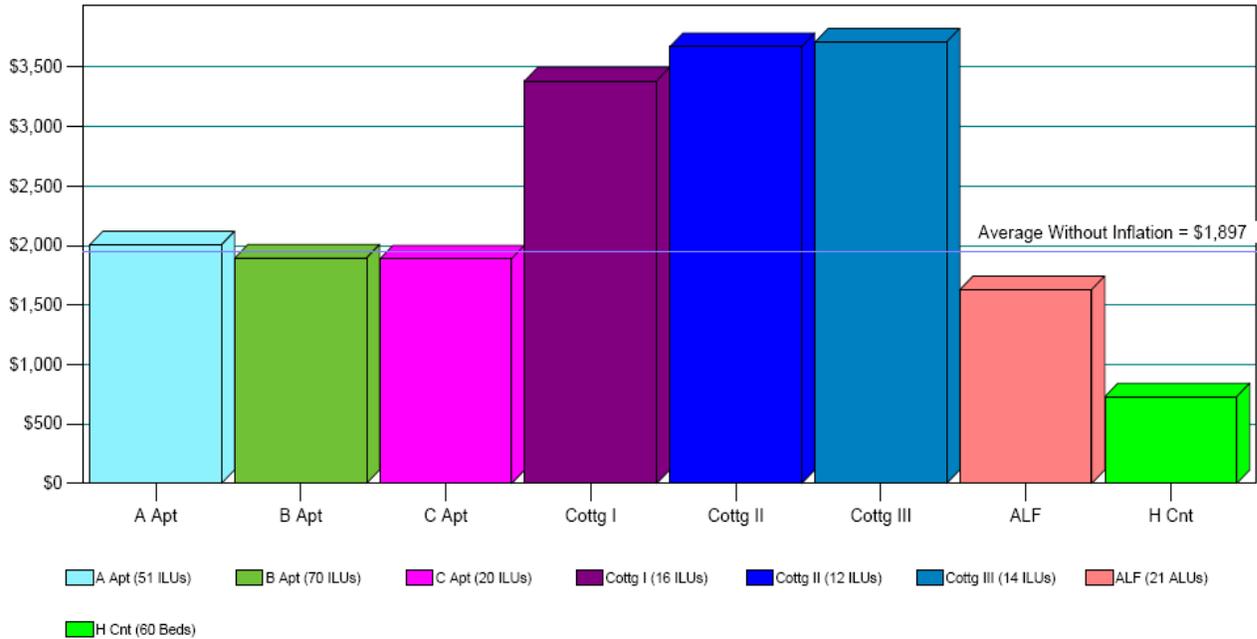
*You gain a “distinct advantage” when using benchmark reporting techniques to pinpoint your future costs and problems areas, and when developing an exit strategy!*

□ ANNUAL COST PER UNIT & SQUARE FOOT

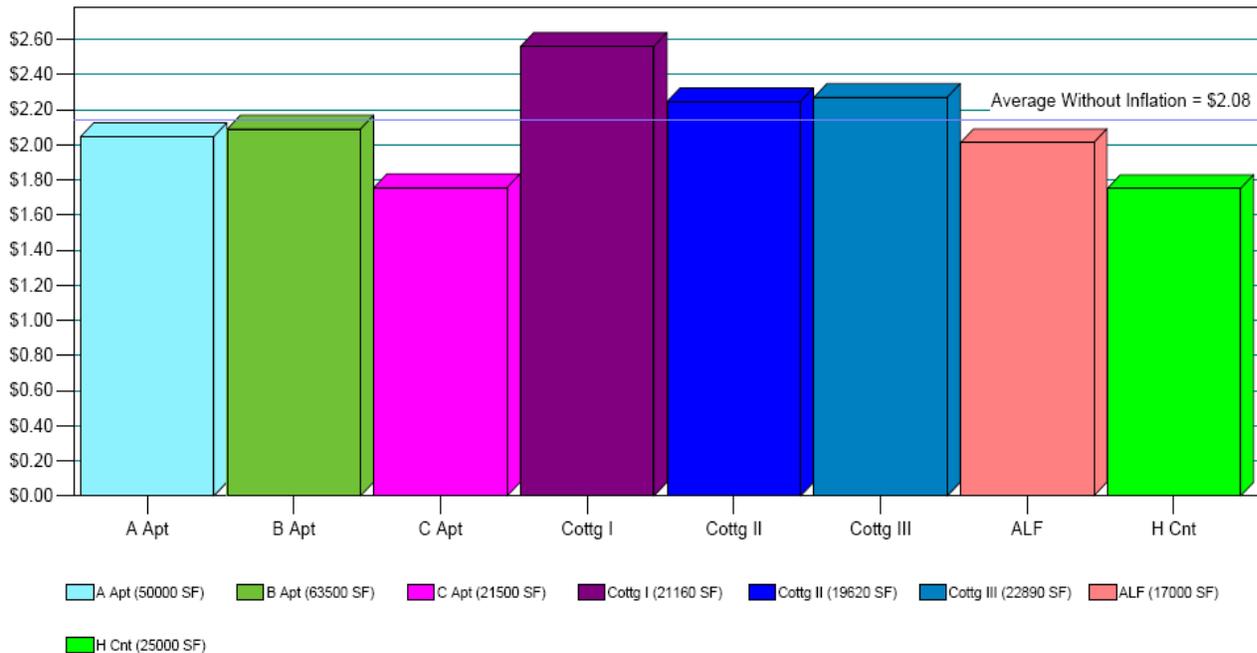
*Am I charging enough? What is my ROI?*

**Total unit costs must be identified to calculate ROI. To evaluate and understand total costs, both “per unit” and “per square foot” cost analyses are necessary.**

*Table II-A: Annual Reserve per Unit for Each Building (or Property)*



*Table II- B: Annual Reserve per SF for Each Building (or Property)*



*With accurate unit cost data, you only need “grade school math” to calculate ROI!*

## □ COST CATEGORY & BUDGET TOTALS

*How do I get more mileage out of my dollar?*

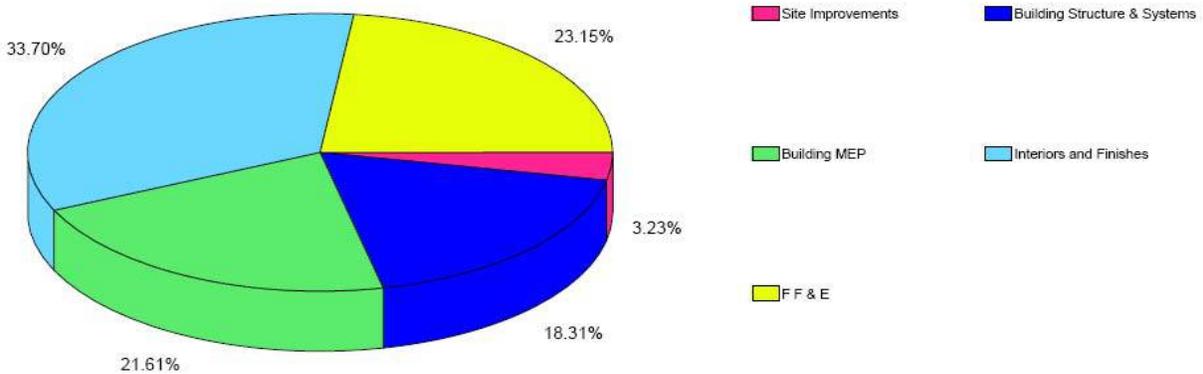
The ability to combine and view multiple building or property budgets by cost categories and budget totals over any combination of years simplifies and empowers the purchasing process. This strengthens your negotiation position resulting in lower operating expenses and improved quality.

*Table III: Cost Category Totals for Each Building (or Property)*

Expense		Sitework	FF & E	A Apt	B Apt	C Apt	Catg I	Catg II	Catg III	ALF	H Cnt	Cm Bld	Mnt Bld	Division Total
02.01	Landscape and Hardscape	\$20,000												\$20,000
02.02	Irrigation	\$3,000												\$3,000
02.03	Paving	\$120,000												\$120,000
02.04	Site Concrete	\$32,500												\$32,500
02.05	Retaining Walls	\$40,000												\$40,000
02.06	Site Rails, Fencing, and Gates	\$15,000												\$15,000
02.07	Site Lighting	\$10,800												\$10,800
02.08	Storm Drainage	\$20,000												\$20,000
02.09	Site Utilities	\$12,000												\$12,000
02.10	Signage	\$50,000												\$50,000
03.04	Roofs and Moisture Protection Systems			\$200,735	\$97,225	\$2,462	\$88,080	\$69,140	\$93,590	\$29,289	\$49,275	\$119,875	\$200	\$749,861
03.05	Exterior Finish and Wall Systems			\$1,000	\$1,500		\$62,400	\$46,800	\$84,600	\$5,000	\$500	\$5,000		\$176,800
03.07	Doors, Windows, and Hardware			\$14,157	\$21,700	\$5,000	\$15,742	\$11,616	\$13,275	\$4,200	\$1,285	\$2,000		\$69,075
03.08	Vertical Circulation			\$82,410	\$82,000	\$41,000					\$65,340	\$66,000		\$336,750
03.09	Exterior Paint and Caulk			\$13,345	\$17,700	\$6,400	\$33,600	\$25,200	\$29,400	\$6,900	\$7,355	\$33,000	\$3,000	\$175,900
03.10	Specials			\$1,442	\$540	\$480	\$11,243	\$8,613	\$10,389	\$450	\$450	\$252		\$33,826
03.11	Balconies, Breezeways and Related Rails						\$2,800	\$5,600						\$15,400
03.12	Appliances			\$58,528	\$74,269	\$22,288	\$22,228	\$26,128	\$29,668	\$1,900				\$256,013
04.01	HVAC			\$318,950	\$663,475	\$72,700	\$17,712	\$13,791	\$16,630	\$197,168	\$83,860	\$626,200		\$1,899,475
04.02	Plumbing and Plumbing Fixtures			\$9,800	\$11,850	\$3,750	\$14,400	\$10,800	\$12,600	\$22,700	\$22,350	\$54,350		\$162,600
04.03	Fire Sprinkler System			\$1,340	\$2,000	\$2,000				\$2,000	\$650	\$2,000		\$10,000
04.04	Electrical			\$6,700	\$10,000	\$7,500	\$3,440	\$3,360	\$2,870	\$12,000	\$5,900	\$40,000		\$91,770
05.01	Common Area Floor Covering			\$88,000	\$88,000	\$52,000				\$7,000	\$10,000	\$150,000		\$395,000
05.02	Common Area Wallcovering			\$88,000	\$88,000	\$5,200				\$44,300	\$44,000	\$150,000		\$419,300
05.03	Common Area Ceilings			\$2,340	\$2,520	\$900				\$900	\$2	\$34,000		\$40,662
05.04	Interior Paint			\$44,000	\$44,000	\$25,000				\$25,000	\$32,000	\$70,000		\$197,000
05.05	Unit Refresh			\$349,691	\$519,952	\$148,189	\$457,650	\$342,143	\$397,972	\$50,000	\$57,000			\$2,333,575
07.01	Kitchen & Laundry Equipment		\$349,694										\$100,000	\$449,694
07.02	Furnishings		\$700,000								\$100,000			\$800,000
07.03	Maintenance & Mechanical		\$150,000											\$150,000
07.04	Utilities		\$346,000											\$346,000
07.05	Communication and Security Systems		\$408,000											\$408,000
07.06	Office Systems		\$194,000											\$194,000
<b>Expense Total</b>		<b>\$323,300</b>	<b>\$2,118,684</b>	<b>\$1,235,426</b>	<b>\$1,524,555</b>	<b>\$405,836</b>	<b>\$740,246</b>	<b>\$563,191</b>	<b>\$667,994</b>	<b>\$408,507</b>	<b>\$470,068</b>	<b>\$1,351,677</b>	<b>\$103,200</b>	<b>\$10,014,854</b>
<b>Percentage of Replacement Cost</b>		<b>26.67%</b>	<b>42.67%</b>	<b>48.76%</b>	<b>19.53%</b>	<b>63.52%</b>	<b>241.37%</b>	<b>22.87%</b>					<b>99170335009600004</b>	<b>63.73%</b>

See Charts III-A, III-B

*Chart III-A: Cost Category Budget Totals*



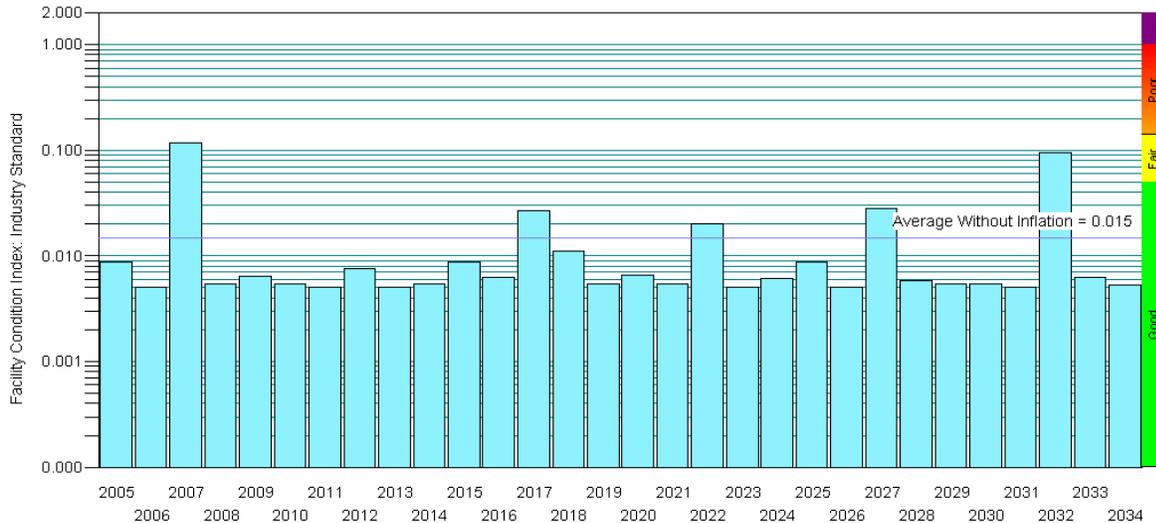
*Knowledge is power, when purchasing and scheduling work in a “collective manner” you reduce costs and improve quality!*

❑ **FACILITY CONDITION INDEX**

*How do we maximize our investment?*

**Indexing expenses to replacement costs establishes a building's condition. The ability to index and model brings clarity to difficult decisions, whether to repair, renovate, reposition or replace a building or system.**

*Chart VII.C*



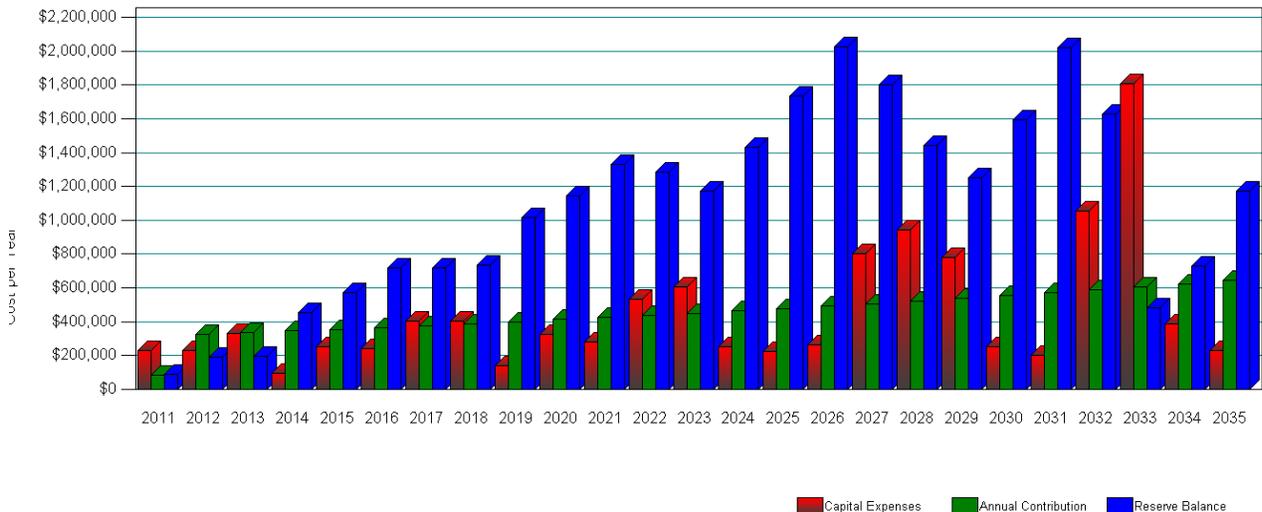
*The utilization of index analysis tools helps to ensure the best decisions are made!*

❑ **RESERVE FUNDING PLANS**

*Annual expenses vary, so what are the reserve funding (sinking fund) requirements?*

**Once annual expenses are identified, the annual contribution to reserve funds can be calculated and adjusted for inflation and interest earnings. Having adequate funds to meet peak years is paramount; it is just as important not to tie up valuable capital by over-funding.**

*Chart V-D Baseline Funding*



*Profit margins are maximized when capital is properly allocated!*