



PHI DELTA THETA

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Fulcrum Report User Manual

This document will walk you through your Fulcrum report and outline the purpose of each section and identify how to use the report to the fullest extent.

Cover Page - shows a picture of your facility along with contact information for Director of Housing and Facilities Andrew LaPorte and the Fulcrum Representative that conducted the site visit. Please note that the date the study was received may not be recent. GHQ has been aggregating data for developing strategies and tactics to assist local House Corporations (HC). All the reports are being distributed to the local HC in late July or early August.

Table of Contents - gives you a brief overview of the different sections of the report.

Purpose and Scope - explains this endeavor and goes into detail of what Fulcrum was responsible for during their visit and what was to be included in the final report.

Executive Summary - provides a high level overview of the chapter facility and key statistics such as square footage, number of bedrooms, overall property condition, the costs associated with different tiered repairs, and the 20 year need (Total Future Capital Expenditures). Please take note of the repair definition outlined in the report.

Critical – Systems and/or components that require repairs or replacements immediately.

Non-Critical – Systems and/or components that require repairs within the next 1-2 years.

The next section reviews any pertinent comments, clarifications, or recommendations found within the report.

Property Description

The next several pages will outline the majority of the components found within your facility and provide a condition where applicable. This section can be interpreted as a “report card” of the facility and can hone in on areas where improvement can be made. GHQ used this portion to understand what areas needed the most attention across the entire Phi Delta Theta Housing portfolio, which in turn will allow us to understand where resources are needed the most.



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Interpreting the 20 year Fulcrum Report

Outlined below is a list of definitions found within the 20-year Capital Expenditures spreadsheet.

Building Component – The major component that needs repair or replacement in the next 20 years.

EUL – Estimated Useful Life – The entire lifecycle of the corresponding component. An example would be a water heater typically lasts 15 years.

Actual Age- this input is what the actual age of the component is. If the actual age was not provided, a range was determined. This will cause the expense to be spread out over several years to accommodate best/worst case scenarios. An example would be the water heater was installed in 2010, therefore it is 5 years old.

RUL – Remaining Useful Life – The RUL is a mathematical equation that takes the EUL and subtracts the actual age to produce a RUL that can be forecasted to replace that component in a certain year. An example would be since the water heater typically lasts 15 years (EUL) and is now 5 years old (Actual Age) it would be safe to say that the water heater has a RUL of 10 years or 2025.

Unit – Describes the unit of measure utilized in the report.

SF – Square Footage

LS – Lump Sum

EA – Each

Bed – Please refer to the FF&E section below

Unit Cost – This column represents the costs associated with the building component as well as factoring in the unit column. Examples would be roofing described in SF and the cost per SF or Windows in LS and the cost of the entire window project, or appliances represented in EA and the costs per appliance.

Quantity – This column will quantify each building component that is need to repair/replace the building component in the far left hand column. This number can also represent frequency. An example would be Exterior Painting and the quantity is 3, which means that the house would need painting 3 times in 20 years.

Reserve Term - These columns (Year 1-20) indicate when funds will be required to be expended with the corresponding building component. Depending on the



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component, the required funds will be spread out over several years to ensure that when the large expenditure is required, a large sum of money is not immediately needed but the sinking fund or reserve account has a balance that can accommodate the repair or purchase. Other components will allocate based on the end of the RUL.

Total – On the second page of the 20 year need spreadsheet, in the second to last column on the right, you will find a “Total” column. This column will correspond with the building component and indicate the total required capital for that specific component. It would be the sum of years 1-20.

Repair or Replace – In the farthest right column on the second page, you will find “Repair or Replace”. This column will provide details on how the frequency was derived. Most building components will have a percentage associated with it. If 100% is shown, this means over 20 years this component will be replaced once, 200% will be replaced twice over 20 years, 300% is three times in 20 years, and so on. If “Repair/Replace” is found, it is typically due to not having an Actual Age so the exact year cannot be determined. Variations of descriptive words will enable a further understanding of how the reserve term was calculated.

FF&E – Furniture, Fixtures, and Equipment – Bedrooms

These figures represent the costs associated with maintaining bedrooms or study rooms. With the constant turnover in these spaces, wear and tear is expected.

The calculations are as follows:

Allowance 1 (Short Term) includes mattresses, desk chairs, flooring, and paint. These have been grouped to this category because the average EUL is 8 years. The 250% replace tag represents that over 20 years 2.5 lifecycles in the bedrooms will occur.

Allowance 2 (Long Term) includes desks, window covering, bed, and dresser/built in cabinets. These have been grouped to this category because the average EUL is 20 years. The 100% replace tag represents that over 20 years 1 lifecycle in the bedrooms will occur.

This calculation was standard across the portfolio.

Understand that what your facility provides in terms of furniture or how often you paint and replace the flooring can deviate these figures. If no furniture is provided, you could replace this number with the cost of painting and replacing the flooring every 5 years in each bedroom or study room.



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Inflated vs. Uninflated – Below the table on page 2 of the spreadsheet you will find a summary of the Inflated and Uninflated figures on a per-year and per-bedroom per-year basis. **For all intents and purposes the inflated yearly figure would be a baseline contribution to your reserve or sinking fund.** Once you complete the cash flows template you will be able to forecast the appropriate amount of reserve contributions.

General Photos – A photo catalog of the interior and exterior of your facility.

Report Qualifications - These 2 pages explain again what Fulcrum was observing and under what lens they wrote the report.

Repair Summary – This table will outline critical, non-critical, and routine maintenance repairs that were observed during Fulcrum’s site visit.

System/Component – General Description of the repair.

Repairs/Recommendations – Details surround the recommended repair and any further details that were provided surrounding the issue.

Photo Reference – Following the repair summary you will find photos that correspond to the details found in the previous column.

Costs – Estimated costs involved in correcting the described issue. Fulcrum was instructed to be generous with their cost allocations. Please do your due diligence and obtain bids for the work.

Critical – Systems and/or components that require repairs or replacements immediately. These repairs are seen as a health or safety hazard and could produce harm. Also, if unresolved, further deterioration to the facility could occur. Example: Leaking Roof – if a leaking roof is unresolved, damage to drywall could occur and mold could develop, thus further damage and more expenses.

Non-Critical – Systems and/or components that require repairs within the next 1-2 years. These repairs, although not producing harm, attribute to the overall condition of the house and should be put in priority behind the critical issues.

Routine Maintenance – These costs are associated with normal wear and tear and should be expected on an on-going basis.