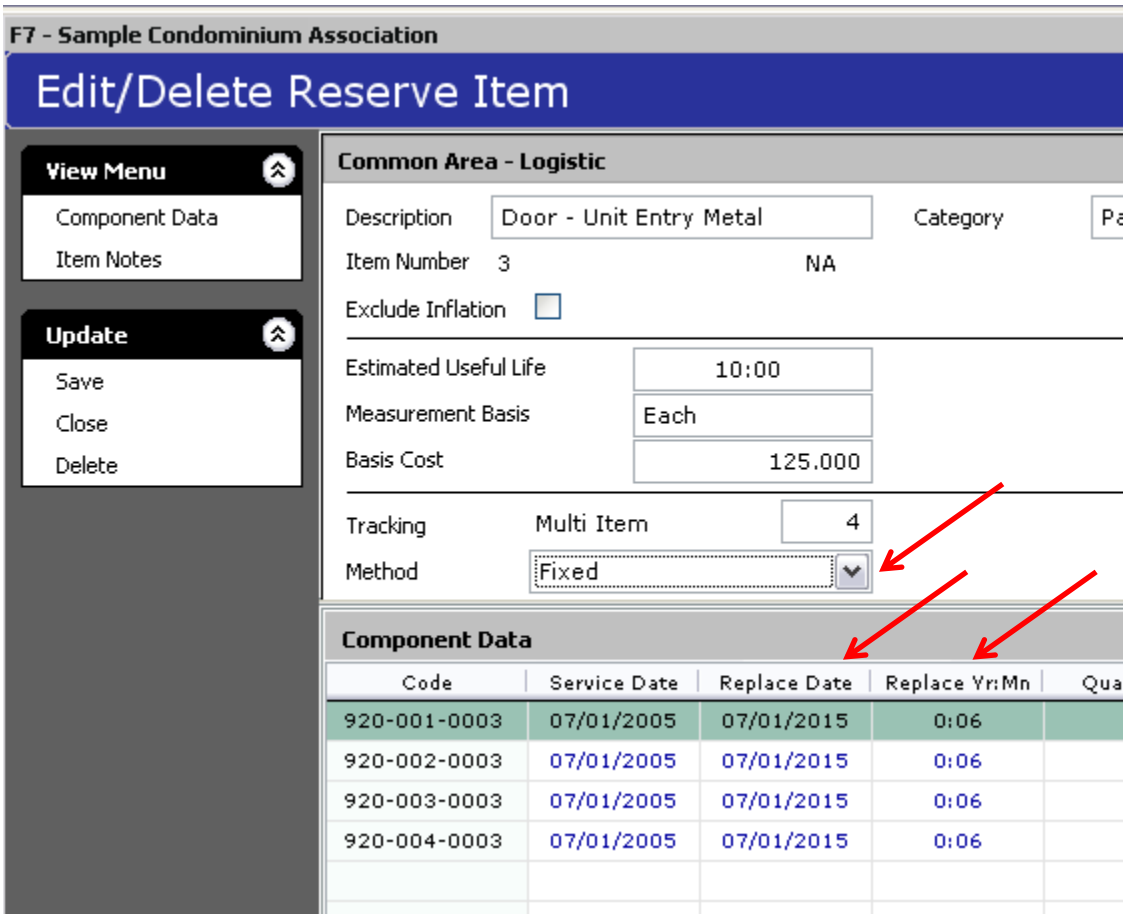
Using the Adjusted Components Feature in Facilities 7

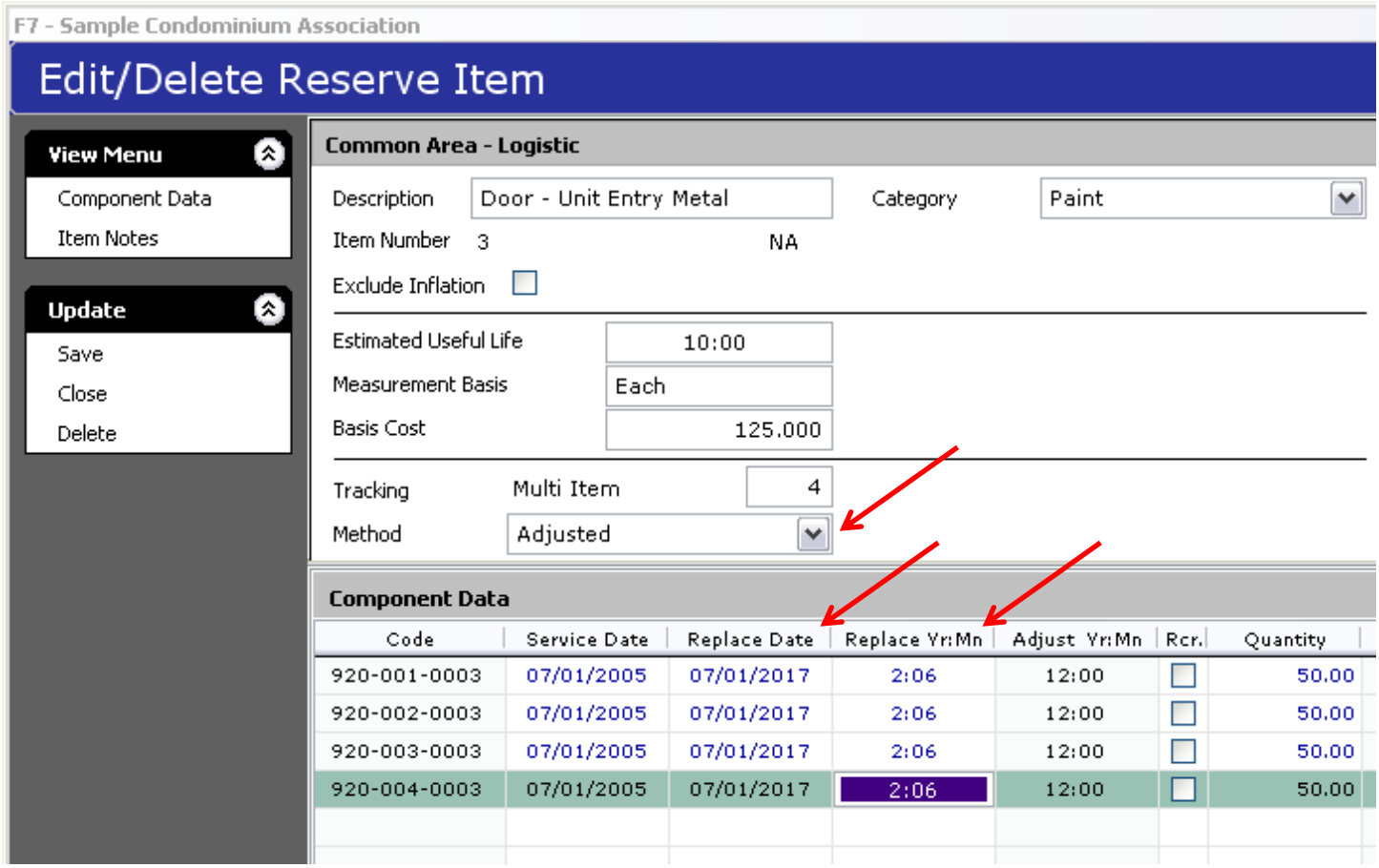
The entire premise underlying reserve study calculations is that components have predictable life spans, and recur on that life cycle for all future recurrences. But, what if your life cycle is 10 years, and the component is already 12 years old and won't be replaced until next year. You believe the original 10 year life cycle is accurate, and want to continue it for future periods. F7 allows you to adjust the life of the first cycle without disturbing the original life cycle for future periods. Our competitors can generally "fake it" to make it work, but lose track of original placed in service details in the process. F7 has the perfect solution.



Notice that the default method is "Fixed," which represents the normal recurring life cycle. With a life of 10 years, the replace date is exactly 10 years from the date placed in service, and, in this case, that leaves a remaining life of six months.

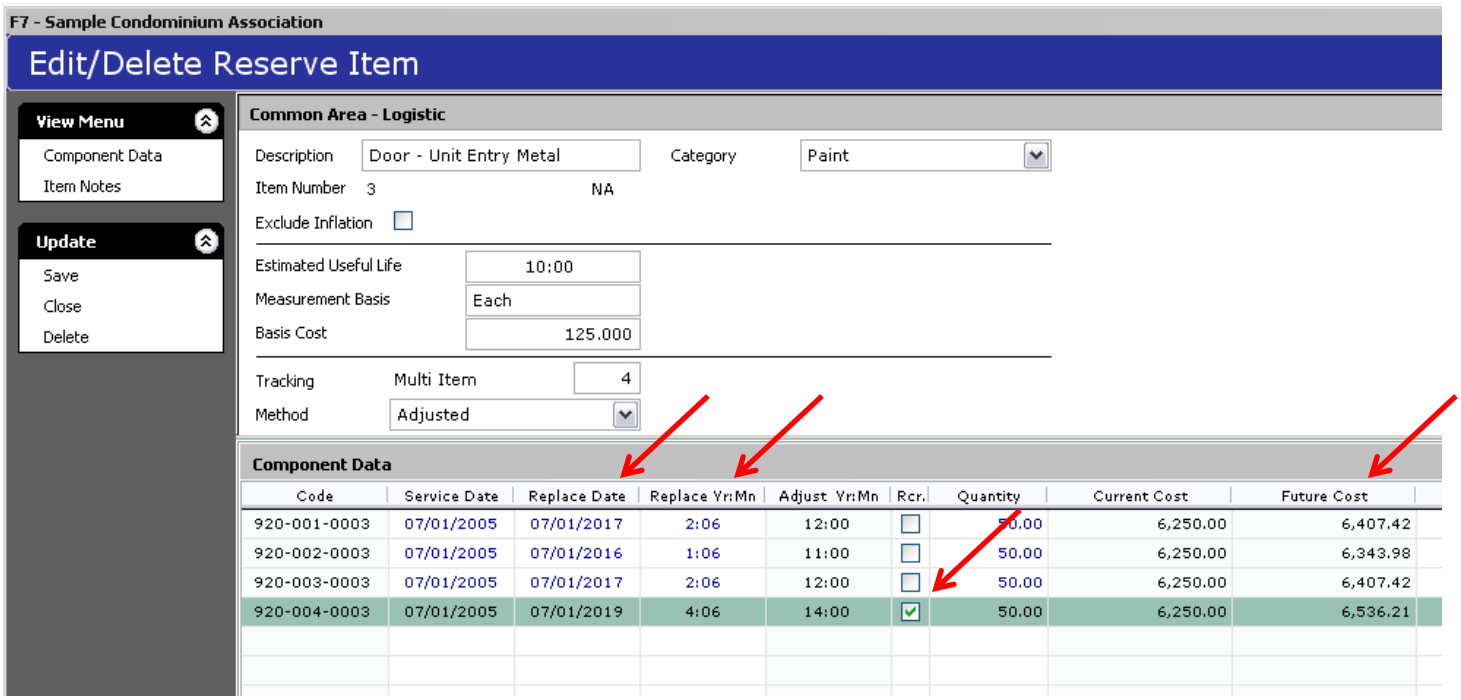
As demonstrated in the next image, changing the method to adjusted lets you alter the replace date and also gives you notice that you are using the adjusted method, as the method displays in the component list report. That informs any reader of the report that this is a non-standard item.

You do not change the placed in service date, but instead manually change the replace date to be the revised estimated date for the major repair or replacement activity. This automatically revises the remaining life to be 2 1/2 years.



The traditional paper reserve study reports prepared by our competitors, and the few reserve study software products that exist, do not provide you with this information, or worse yet, use the shortcut process of revising the date placed in service as a means of revising the remaining life. Their goal is to simply provide you with a paper reserve study for budget purposes.

Our goal is to provide you with a reserve management system that allows you to improve your knowledge. Using the adjusted method feature of Facilities 7 may tell you that your original estimated useful life is wrong. Or, it may tell you that your operations maintenance activities are either not working, or are working so well that it has extended the life of the components. Whatever the reason for adjusting the life, this adjusted method feature allows you to better refine your reserve budgeting process in future years, because it still tracks the original date placed in service.



In the image above, we have entered different replace dates for different buildings, which now results in different remaining lives. Also note the "Future Cost" column which now indicates differing replacement costs. This is simply the effect of inflation for a different time period.

Next, note the checkmark inserted into the last item in the "Rcr" column. This checkmark tells the system that for this item, you want to use the new 14 year life (based on your adjustment of replace date) for all future life cycles, rather than the 10 year estimated useful life. If you DO NOT check this box, then the original 10 year life is used for all future replacement cycles.