

Attachment I

Auditor Capital Asset Testwork Methodology

Example: In 1968, a 100,000 square foot science building was built at a total cost of \$4,525,000.

1995 Cost Based on Book Value:

<u>Project</u>	<u>Campus Records 1968 Cost</u> A	<u>Gross Square Footage</u> B	<u>1968 Cost per Sq. Foot</u> (A/B)=C	<u>ENR 1968</u> D	<u>ENR 1995</u> E	<u>1995 Cost per Sq. Foot</u> (C*E/D)
Science Building	\$4,525,000	100,000	\$45.25	1032	5595	<u><u>\$245.32</u></u>

1995 Cost Based on ENR:

1995 ENR cost for a science building	\$265.00
Less: Increase in building cost factor	<u>15.00</u>
Total building cost per square foot	<u><u>\$250.00</u></u>

By comparison, the unit cost for design and construction of a new science building according to existing cost guidelines (ENR 5595) would be \$250.00 per square foot. As can be seen from above, the unit cost for this example is \$245.32 per square foot or 1.9% above the standard guideline cost. Although higher, this deviation would likely be acceptable for audit purposes. Note that the fifteen dollar adjustment is a recent change to ENR and thus must be removed from buildings constructed prior to 1994/5. If this adjustment had not been made, the deviation would have increased to 7.4% and may have required substantial research by the campus.

If an addition to the building in this example occurred subsequent to 1968, the calculation for the addition should be performed separately using the ENR for the year of the addition.

Attachment II

Summary of Governor's Budget Capital Outlay Expenditures

The following schedule shows capital outlay expenditures by project for your campus from fiscal years 1963/4 to 1993/4. The Governor's Budget is the source document for this information.

The following are three shortcomings that should be kept in mind when referring to this document:

- (1) Total costs of a given building may be understated by this analysis if expenditures were made prior to fiscal year 1963/4 or subsequent to 1993/4.
- (2) A standard footnote legend is included for your convenience. However, the legend may not include all footnotes for your campus as they vary from year to year. If additional information is required, the Governor's Budget for the appropriate year should be consulted.
- (3) The spreadsheet is a multiple page document. The column and row headings may be used as a guide to assemble the pages.

This worksheet can be requested on a floppy disk or via electronic mail from Mr. Bill Musselman at william_musselman@qmbbridge.calstate.edu. Please specify which spreadsheet software you use.