

# **BUILDING ENTERPRISE FUND ADVISORY COMMITTEE**

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February 24, 2020

# FINANCIAL REPORT

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BUILDING ENTERPRISE FUND  
FINANCIAL UPDATE  
JUNE 30, 2019

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# BUILDING DEPARTMENT

## STATEMENT OF NET POSITION

	2018 (Audited)	2019 (Audited)
Assets		
Current assets	\$ 39,515,318	\$ 58,878,434
Noncurrent assets	25,734,521	25,391,230
Total assets	65,249,839	84,269,664
Deferred Outflows of Resources	3,709,906	3,936,471
Liabilities		
Current	14,713,790	21,782,814
Noncurrent	24,424,801	24,279,268
Total Liabilities	39,138,591	46,062,082
Deferred Inflows of Resources	2,136,524	1,644,623
<b>Net Position</b>	<b>\$ 27,684,630</b>	<b>\$ 40,499,430</b>

# BUILDING DEPARTMENT INCOME STATEMENT

	2018 (Audited)	2019 (Audited)	2020 (Budget)	2020 (Estimate)
Operating Revenues	\$ 27,747,608	\$ 33,444,848	\$ 28,633,065	\$ 33,185,889
Operating Expenses				
Salaries and wages	12,419,970	13,164,805	15,217,282	13,664,111
Employee benefits	5,300,255	5,046,350	7,585,219	5,890,307
Services and supplies	4,544,821	4,131,839	6,053,315	9,007,017
Depreciation	938,381	972,341	966,553	1,000,000
Total operating expenses	<u>23,203,427</u>	<u>23,315,335</u>	<u>29,822,369</u>	<u>29,561,435</u>
Nonoperating revenues (expenses)	<u>138,283</u>	<u>2,685,287</u>	<u>294,698</u>	<u>394,501</u>
<b>Net income (loss)</b>	<b>\$ 4,682,464</b>	<b>\$ 12,814,800</b>	<b>(\$ 894,606)</b>	<b>\$ 4,018,955</b>

## BUILDING DEPARTMENT FUTURE CAPITAL PROJECTS

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	FY20	FY21 - FY25	Total
Technology Replacement	\$ 150,000	\$ 1,302,893	\$ 1,452,893
Vehicle Replacements	781,000	2,506,000	3,287,000
Building Enhancements	2,500,000	17,310,469	19,810,469
<b>Total</b>	<b>\$ 3,431,000</b>	<b>\$ 21,119,362</b>	<b>\$ 24,550,362</b>

## BUILDING DEPARTMENT WORKING CAPITAL

	FY18	FY19 Current	FY19 Proposed
Current Assets	\$ 39,515,318	\$ 57,745,342	\$ 57,745,342
Less Designated Cash	(9,239,576)	(8,589,396)	(24,550,362)
Current Liabilities	<u>(14,713,790)</u>	<u>(21,782,814)</u>	<u>(21,782,814)</u>
Working Capital	15,561,952	27,373,132	11,412,166
50% of Operating and Capital Expenditures <sup>(1)</sup>	<u>(12,334,048)</u>	<u>(11,983,301)</u>	<u>(11,983,301)</u>
<b>Excess / (Deficient) Working Capital</b>	<b>\$ 3,227,904</b>	<b>\$ 15,389,831</b>	<b>(\$ 571,135)</b>

<sup>(1)</sup> Based on audited financial statements.

## EXCESS WORKING CAPITAL

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Excess working capital is the result of accumulated vacancy savings, significant projects within the strip resort corridor, and a recent surge in the economy. These results are considered non-recurring and likely unsustainable.



# MAXIMUM FEE REDUCTION

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The adjusted operating income below represents the maximum fee reduction before resulting in a structural deficit.

	2019 (Audited)
Operating Income	\$ 10,129,513
Less vacancy savings	(2,418,843)
Less GASB 68 (PERS) adjustment	(1,153,243)
<b>Adjusted Operating Income</b>	<b>\$ 6,557,427</b>

# APPENDIX

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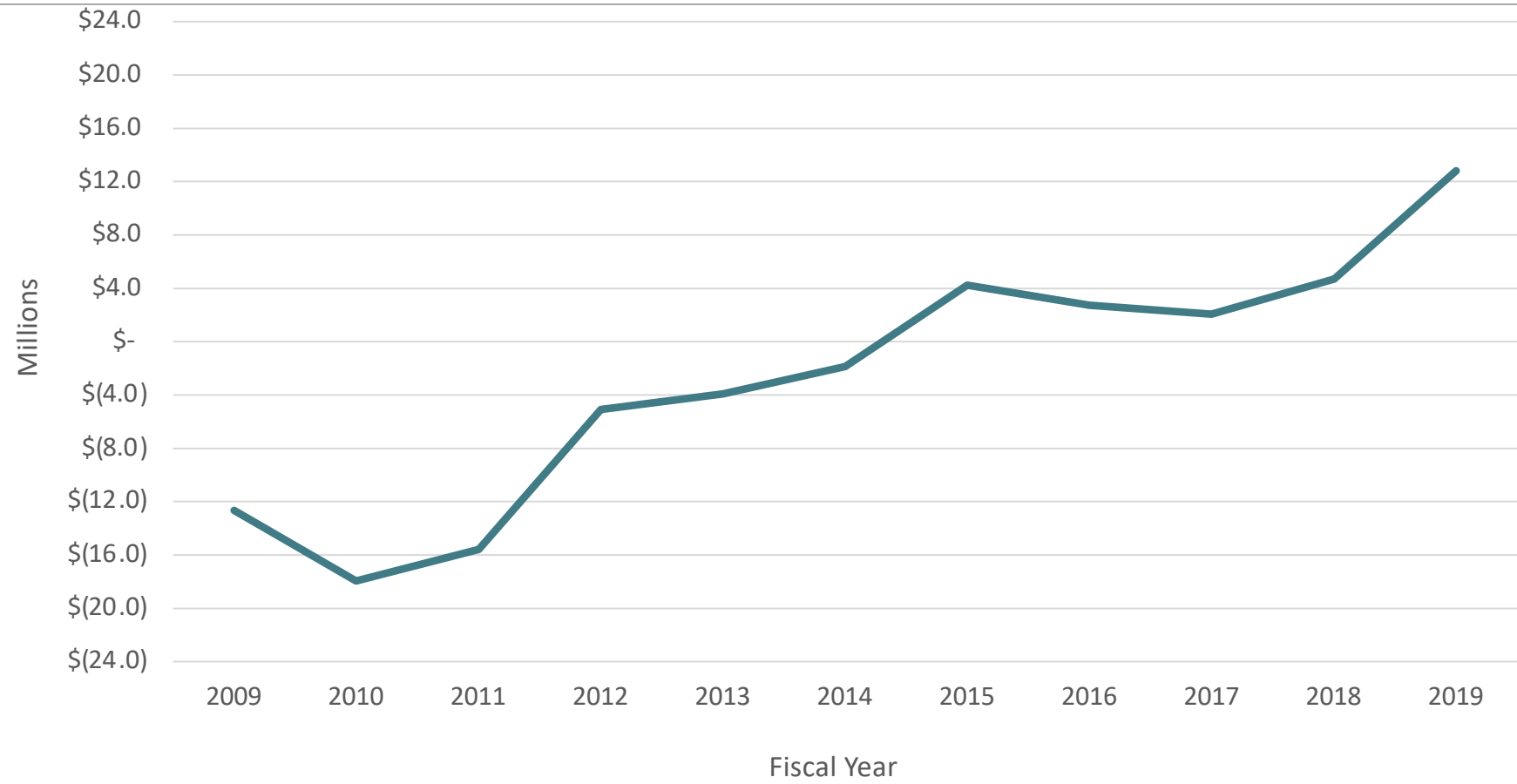
Income Statement Volatility

Working Capital Limit Vs. Working Capital

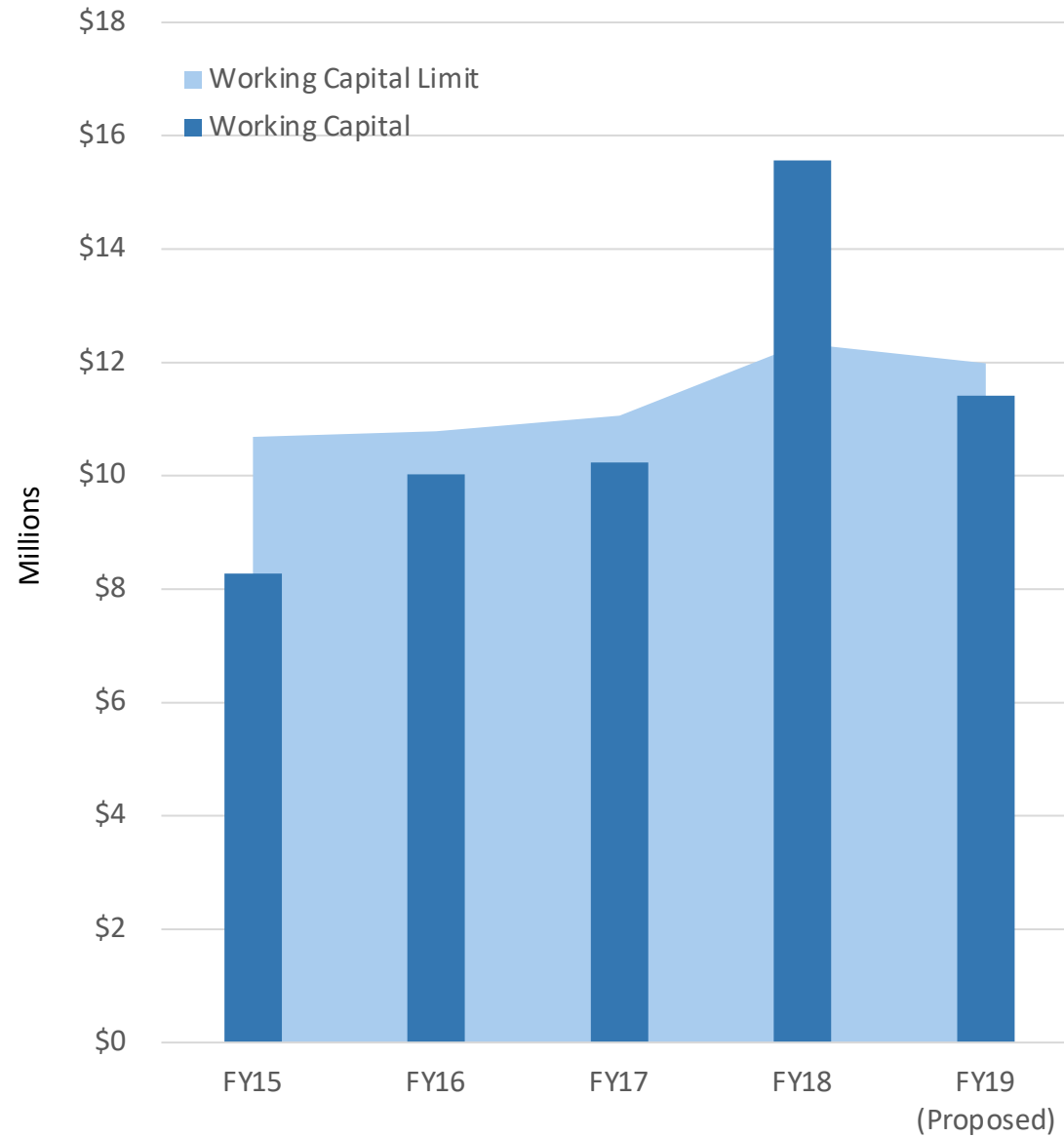
Unearned Revenue

NRS Requirements

# BUILDING DEPARTMENT NET INCOME HISTORY



# WORKING CAPITAL LIMIT VS. WORKING CAPITAL



## BUILDING DEPARTMENT UNEARNED REVENUE

	June 30, 2019
Resort World	\$ 2,996,298
Allegiant Stadium	2,058,148
The Drew	1,493,459
LVCVA Expansion Phase II	1,287,056
Caesars Forum Meeting Rooms	743,811
Wynn Convention Expansion	387,321
Elysian at Howard Hughes	217,684
Elysian at The Palms	175,980
Caesars Hotel and Casino	160,355
Showcase Mall	104,743
Twain Apartments Venture	104,608
Projects < \$100,000	7,234,576
<b>Total Unearned Revenue</b>	<b>\$ 16,964,039</b>

# NRS REQUIREMENTS

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NRS 354.59891 section 4(d) requires a local government to maintain a balance of unreserved working capital in the enterprise fund that does not exceed 50 percent of the annual operating costs and capital expenditures, as determined by the annual audit of the local government.

If the enterprise fund's working capital exceeds 50 percent of annual operating costs and capital expenditures for 2 consecutive fiscal years, the local government shall reduce the fees it charges by an amount that is sufficient to ensure the working capital does not exceed 50 percent for the next following 2 consecutive fiscal years.

Working capital is the excess of current assets over current liabilities, as determined by the local government at the end of the fiscal year.

Any amount designated for special use, including without limitation, prepaid fees and any other amount subject to a contractual agreement, must be identified as a restricted asset and must not be included as a current asset in the calculation of working capital.

# FEE REDUCTION

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# CAPITAL PROJECT APPROVAL PROCESS

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# CAPITAL IMPROVEMENTS

# CAPITAL IMPROVEMENT REQUESTS FY<sub>21</sub>

1. Room #1222 Smart TV Replacement
2. Solar Covered Employee Parking
3. Customer LED Parking Light Replacement
4. Customer Lobby Furniture Replacement
5. New Building Inspector Cubicle
6. New Conference Room Tables
7. New Desk Task Chairs – Building
8. East Employee Restroom
9. Construct Employee Entrance Vestibules
10. Replacement Vehicles

# CAPITAL IMPROVEMENT UPDATES:

Status on previously approved capital improvement projects.

- Plan Intake Counter Reconfiguration
- Records\Engineering Cubicle Reconfiguration
- Fire Prevention Staff Consolidation Cubicle Reconfiguration
- Furniture Replacement
  - New Chair in Room #1116
  - New Chairs in Presentation Room
  - New Tables in Presentation Room
- External Site/Building Sign Updates
- Install filtered water filling stations

# OPERATION FUNDING REQUESTS

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# OPERATION FUNDING REQUESTS:

- Increase in Funding for Holiday Party
- Increase in Funding for Employee Appreciation Meal Events
- Request Funding for meals for employees at professional organizational meetings

# PERFORMANCE DATA

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# PERMITS ISSUED

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# Building - Permits Issued

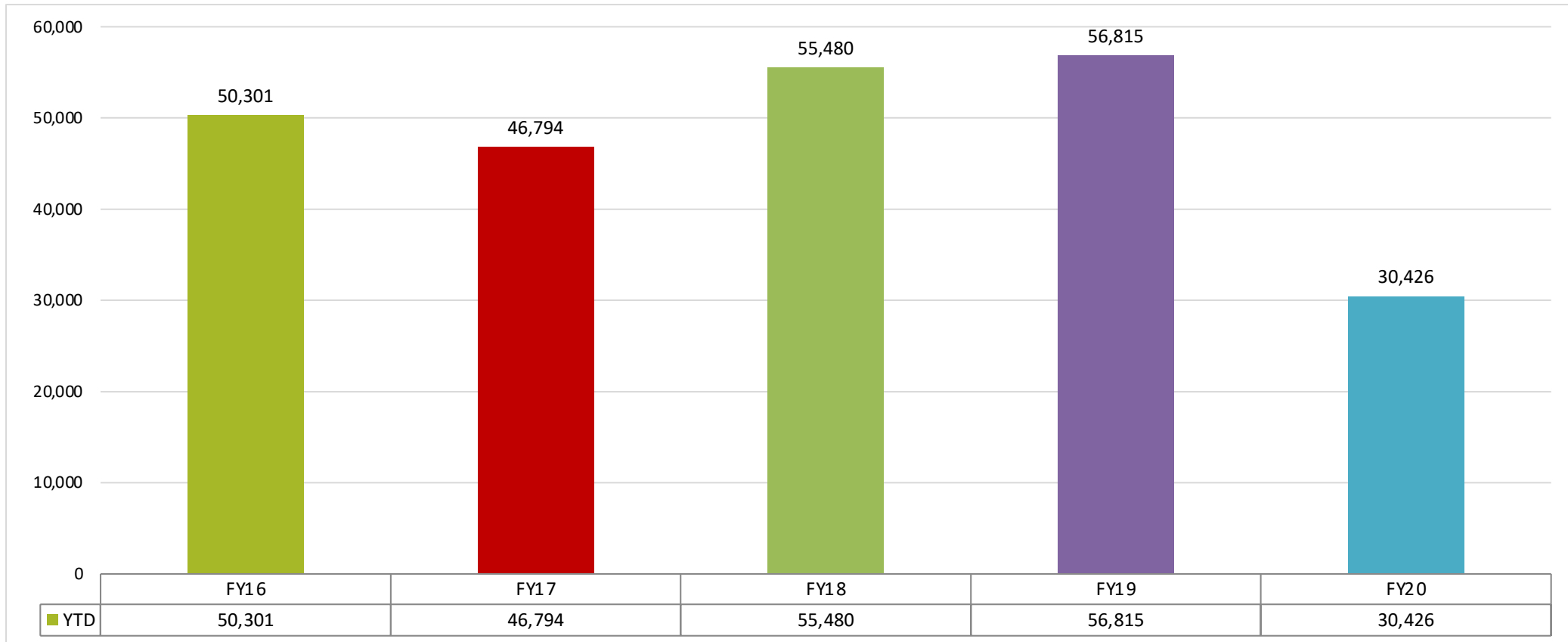


	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY16	4,680	4,278	4,197	4,358	3,472	4,108	3,230	3,807	4,501	4,332	4,446	4,892
FY17	3,539	4,110	3,538	3,477	3,736	3,908	3,660	3,735	4,613	3,938	4,342	4,198
FY18	4,632	5,239	4,302	4,646	4,406	3,866	4,223	4,058	4,934	4,781	5,346	5,047
FY19	4,946	5,579	4,177	5,237	4,486	3,729	4,424	4,584	4,657	5,148	4,926	4,922
FY20	5,480	4,570	3,919	4,704	3,418	3,714	4,621					

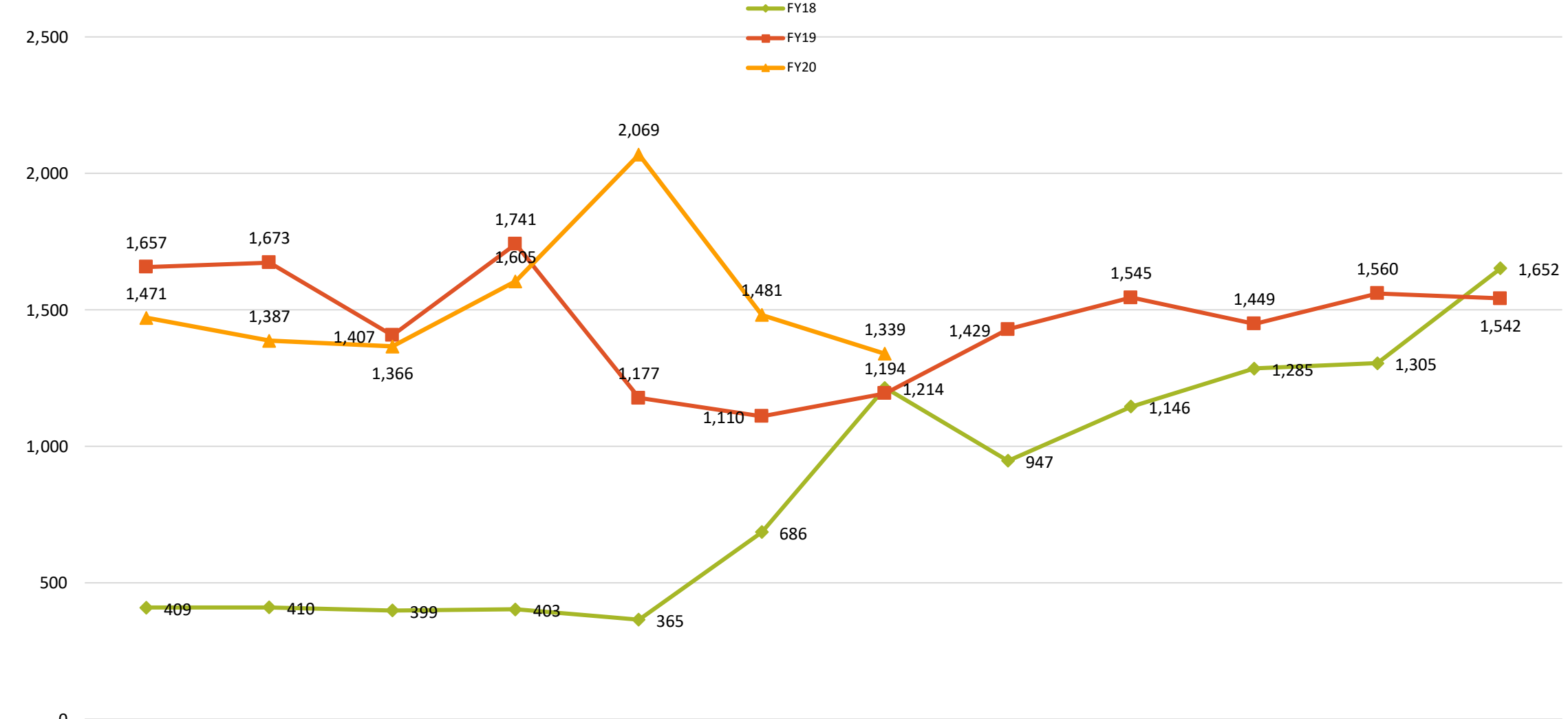


# Building Permits Issued - Fiscal Year Comparison 2016-2020

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
FY16	4,680	4,278	4,197	4,358	3,472	4,108	3,230	3,807	4,501	4,332	4,446	4,892	50,301
FY17	3,539	4,110	3,538	3,477	3,736	3,908	3,660	3,735	4,613	3,938	4,342	4,198	46,794
FY18	4,632	5,239	4,302	4,646	4,406	3,866	4,223	4,058	4,934	4,781	5,346	5,047	55,480
FY19	4,946	5,579	4,177	5,237	4,486	3,729	4,424	4,584	4,657	5,148	4,926	4,922	56,815
FY20	5,480	4,570	3,919	4,704	3,418	3,714	4,621						30,426



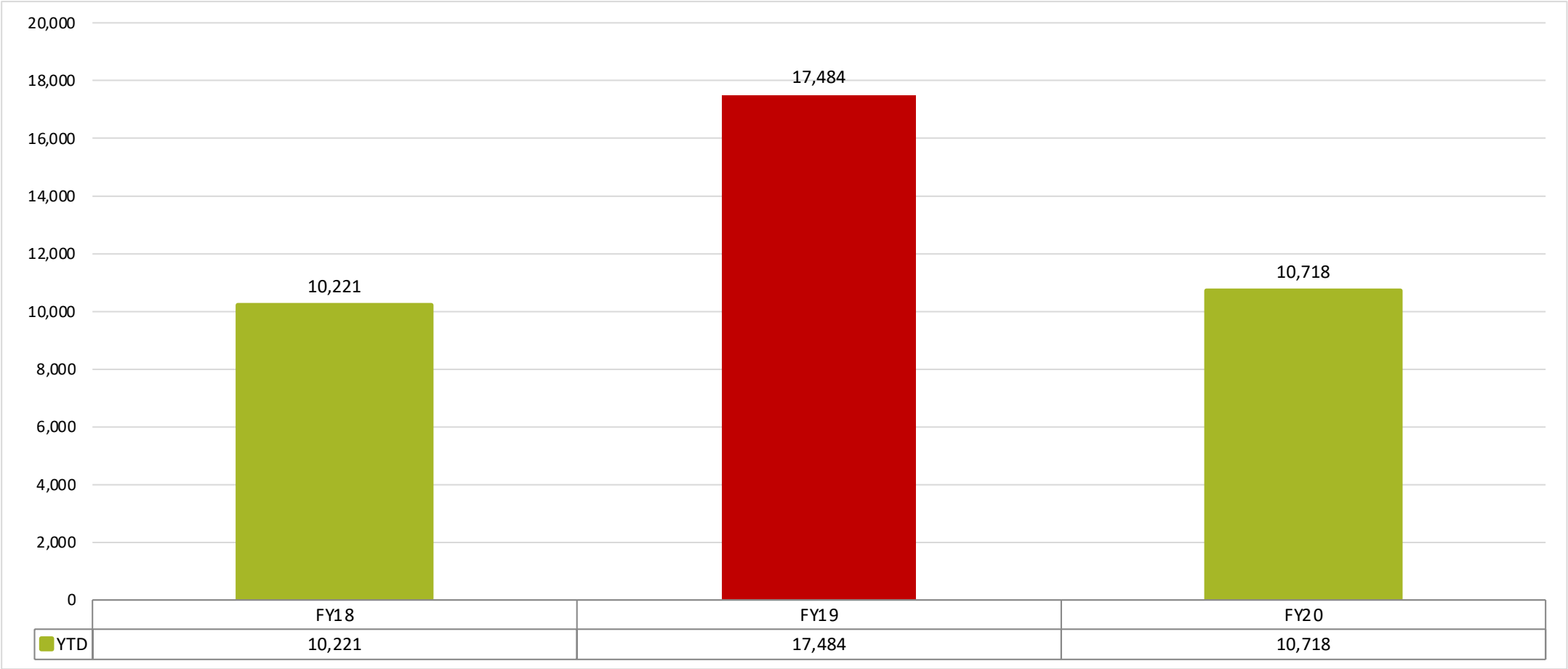
# Fire Prevention - Permits Issued



	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY18	409	410	399	403	365	686	1,214	947	1,146	1,285	1,305	1,652
FY19	1,657	1,673	1,407	1,741	1,177	1,110	1,194	1,429	1,545	1,449	1,560	1,542
FY20	1,471	1,387	1,366	1,605	2,069	1,481	1,339					

# Fire Permits Issued - Fiscal Year Comparison 2018-2020

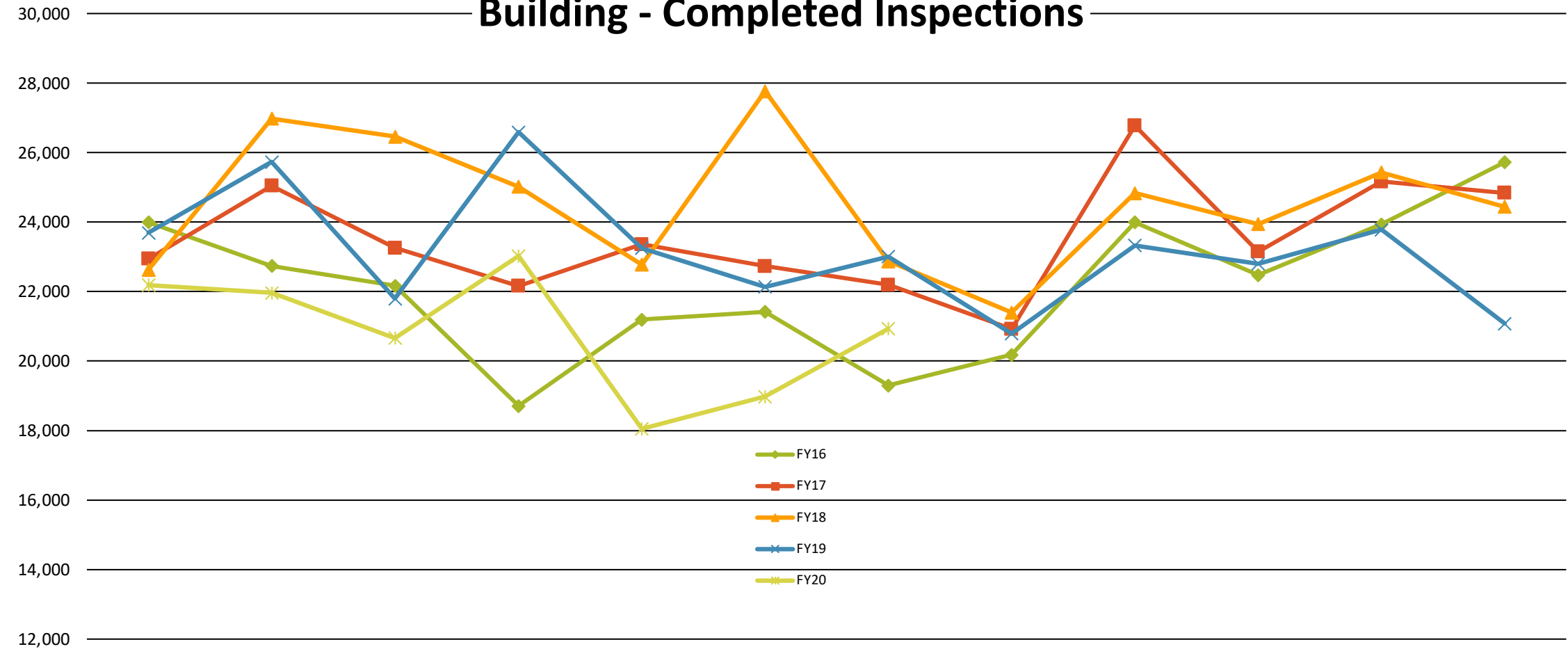
	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
FY18	409	410	399	403	365	686	1,214	947	1,146	1,285	1,305	1,652	10,221
FY19	1,657	1,673	1,407	1,741	1,177	1,110	1,194	1,429	1,545	1,449	1,560	1,542	17,484
FY20	1,471	1,387	1,366	1,605	2,069	1,481	1,339						10,718



# INSPECTIONS

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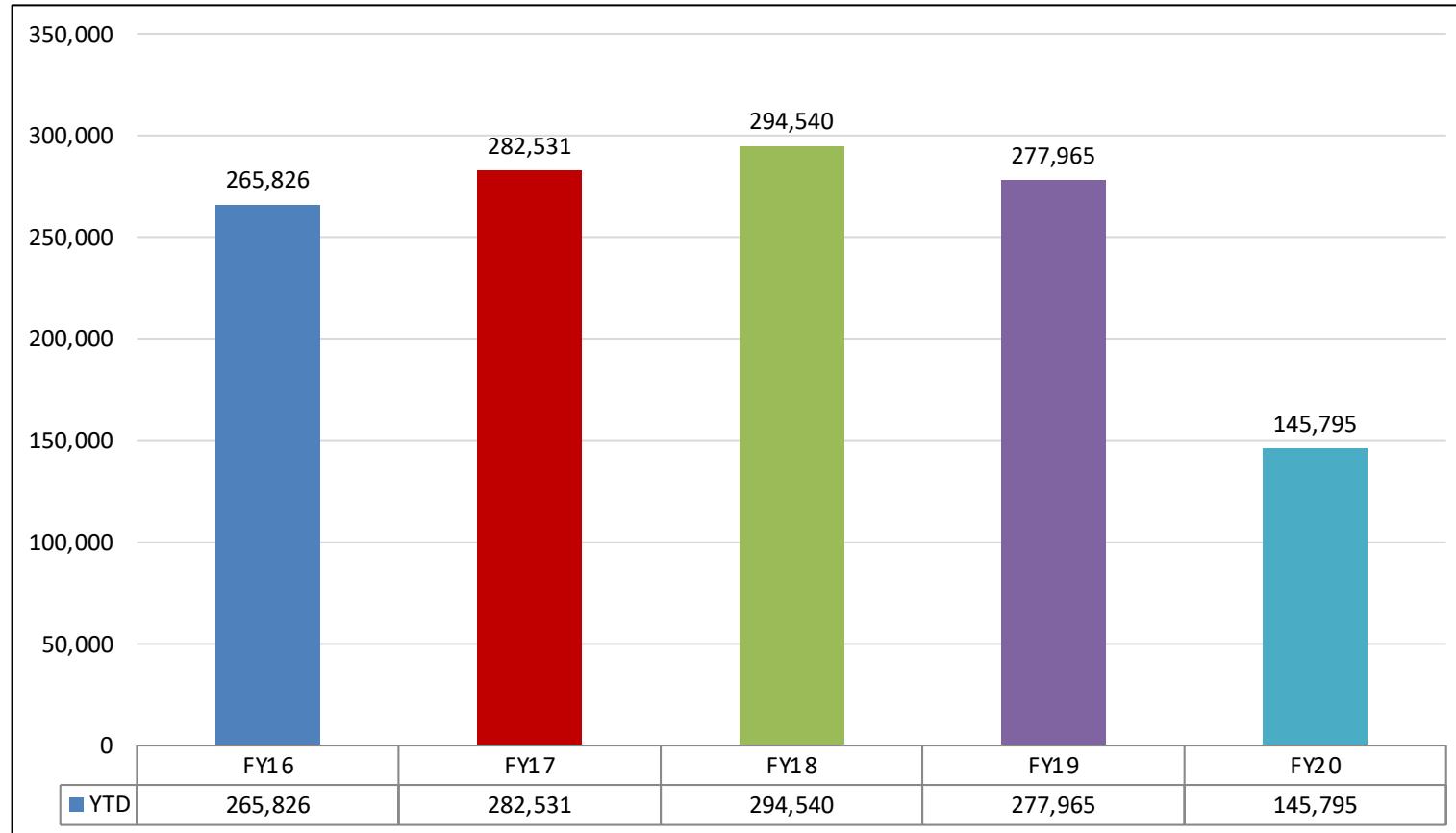
# Building - Completed Inspections



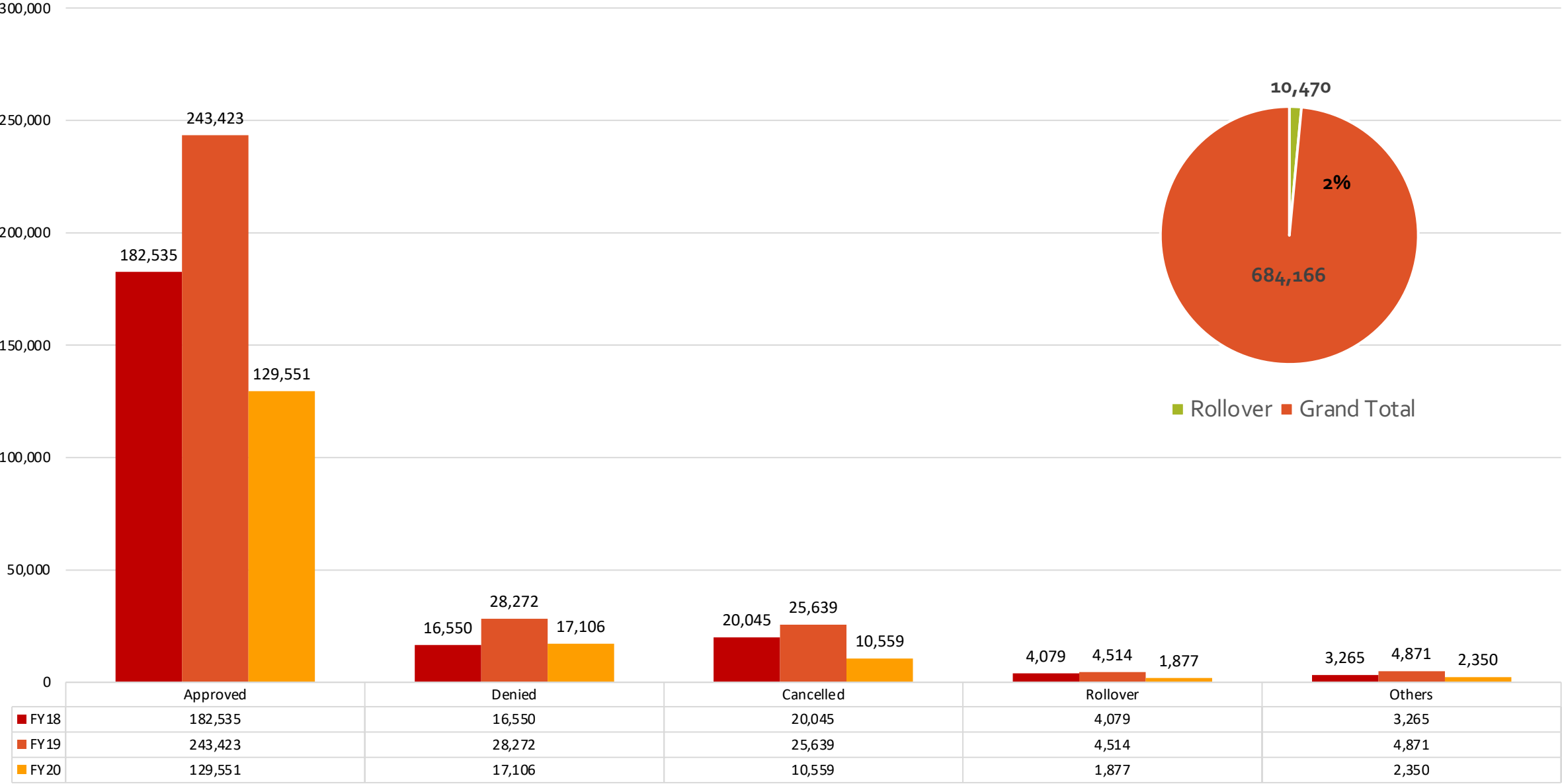
	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY16	23,993	22,739	22,169	18,711	21,196	21,416	19,295	20,183	23,992	22,476	23,936	25,720
FY17	22,940	25,044	23,257	22,161	23,360	22,728	22,196	20,923	26,774	23,147	25,163	24,838
FY18	22,626	26,980	26,459	25,020	22,778	27,768	22,870	21,398	24,830	23,942	25,426	24,443
FY19	23,689	25,729	21,795	26,588	23,249	22,133	23,008	20,788	23,326	22,801	23,779	21,080
FY20	22,187	21,963	20,661	23,024	18,050	18,977	20,933					

# Building Completed Inspections - Fiscal Year Comparison 2016-2020

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
FY16	23,993	22,739	22,169	18,711	21,196	21,416	19,295	20,183	23,992	22,476	23,936	25,720	265,826
FY17	22,940	25,044	23,257	22,161	23,360	22,728	22,196	20,923	26,774	23,147	25,163	24,838	282,531
FY18	22,626	26,980	26,459	25,020	22,778	27,768	22,870	21,398	24,830	23,942	25,426	24,443	294,540
FY19	23,689	25,729	21,795	26,588	23,249	22,133	23,008	20,788	23,326	22,801	23,779	21,080	277,965
FY20	22,187	21,963	20,661	23,024	18,050	18,977	20,933						145,795



# BUILDING INSPECTOR ACTIVITY



# Fire Prevention - Completed Inspections

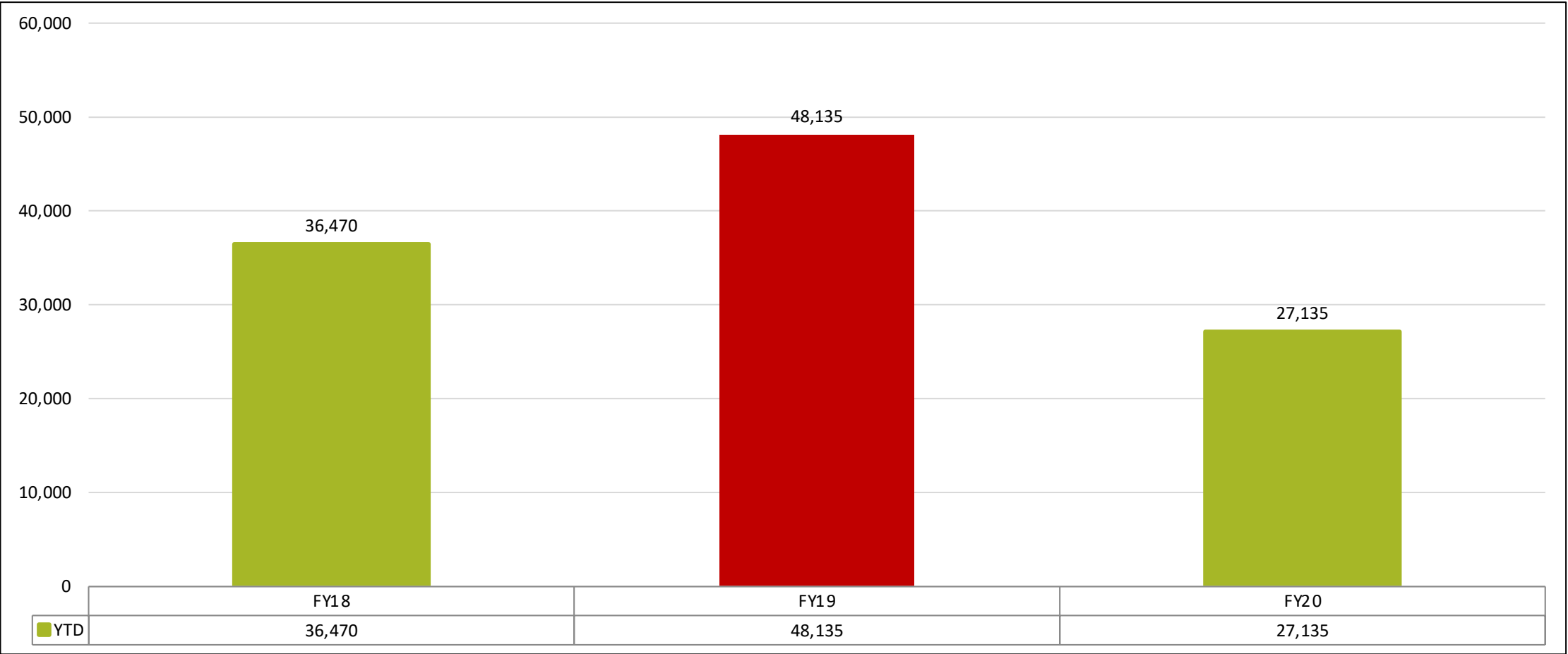


	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY18	2,085	2,770	1,843	2,726	2,473	2,630	3,714	3,204	3,571	3,962	4,145	3,347
FY19	3,931	4,253	3,428	4,733	3,928	3,472	3,924	3,789	4,434	4,306	4,077	3,860
FY20	4,217	4,183	3,633	4,092	3,708	3,378	3,924					



# Fire Prevention Completed Inspections - Fiscal Year Comparison 2018-2020

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
FY18	2,085	2,770	1,843	2,726	2,473	2,630	3,714	3,204	3,571	3,962	4,145	3,347	36,470
FY19	3,931	4,253	3,428	4,733	3,928	3,472	3,924	3,789	4,434	4,306	4,077	3,860	48,135
FY20	4,217	4,183	3,633	4,092	3,708	3,378	3,924						27,135



# **FIRE PREVENTION AND BUILDING DEPARTMENT INTEGRATION**

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# ECONOMIC OUTLOOK

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From BEFAC Members