



**PUBLIC BUILDING COMMISSION OF CHICAGO
MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON
JUNE 27, 2019**

Public Building Commission of Chicago | Richard J. Daley Center | 50 West Washington Street, Room 200 | Chicago, Illinois 60602 | (312) 744-3090 | pbcchicago.com

The Audit Committee Meeting of the Public Building Commission of Chicago was held in the Board Room on the 2nd Floor, Richard J. Daley Center on June 27, 2019 at 12:30 p.m.

The following Committee members attended

Meeting Chair: Commissioner David Todd Whittley
Commissioner Samuel Wm. Sax

Also attending:

Carina E. Sánchez
Lori Lypson
Tanya Foucher - Weekley
James Borkman
Mary Pat Witry
Bryant Payne
Ray Giderof
Lisa Giderof
Patrice Doyle
Allen Truesdell, Deloitte
Juliana Salles, Deloitte
Moises Sanchez, Deloitte
Anne Fredd, Neal & Leroy
Ted Ledford, Chicago Documenters
Helena Duncan, Chicago Documenters

The meeting was called to order. The reading of the minutes of the March 12, 2019 meeting, which had previously been distributed, was dispensed with and upon motion duly made and seconded the minutes of said meeting were unanimously adopted.

Pursuant to Section 2.06(g) of the Open Meetings Act, a public comment period was held. No comments or statements were presented by any persons.

The PBC's Director of Finance, Tanya Foucher-Weekley reported on the anticipated-on time submission of the Public Building Commission of Chicago's Comprehensive Annual Financial Report (CAFR) for fiscal years ended 2018 and 2017 to the Government Finance Officers Association. The report was prepared in accordance with United States generally accepted accounting principles (GAAP) and meets all requirements of the State of Illinois. The PBC believes this report is accurate in all material respects and is presented in a manner which has fairly set forth the financial position and results of operations of the organization and anticipates receiving a Certificate of Achievement for Excellence in Financial reporting for this year's submission.

The Director further reported that the assets of the Commission exceeded liabilities by approximately \$73.7 million as of December 31, 2018. Of this amount, \$51.4 million was included in net investment in capital assets and \$22.3 million was restricted for use by the Daley Center and for Commission operations.

The Commission's total net position increased by \$396,079 for the year ended December 31, 2018 and decreased by \$565,223 for the year ended December 31, 2017.

The increase in net position for the year ended December 31, 2018, is attributable to increases in project revenues that directly impact the Commission's administrative fee.

Operating revenues for the years ended December 31, 2018 and 2017 were \$333.7 million and \$106.9 million, respectively. Operating expenses were \$330.3 million and \$102.8 million for the years ended December 31, 2018 and 2017, respectively. Both fluctuated based on the volume of construction activity as operating revenue includes project revenue, which is recognized to the extent of current construction costs.

Thirteen projects were completed in 2018 which contributed to the over 350% increase in project revenues between 2018 and 2017. As the year closed out, PBC had 40 active projects between planning, design and construction. The PBC completed \$195 million in capital improvement projects in 2018.

Also, of note as of December 31, 2018, the PBC had \$64.3 million in long-term debt principal outstanding. While no additional long-term debt has been incurred in the year, the remaining Series 1999B CPS Revenue Bonds of \$19.7 million were paid off in 2018.

The direct administrative expenses of \$5 million are approximately 2% of total operating expenses of \$330 million for 2018 with an operating income of \$3.4 million in 2018.

The Director of Finance also thanked the PBC's Finance team as well as the Deloitte team for their work on the assembly of the CAFR.

The Audit Committee accepted the report from PBC's Director of Finance.

Allen Truesdell, Deloitte's Lead Client Service Partner introduced the Deloitte team and reported that the audit is complete, and the team is ready to issue an opinion.

Representatives from Deloitte provided the required auditor communications related to the PBC's Audited Financial Statements. Of note, there were no audit adjustments, recorded or unrecorded and no material weaknesses or significant deficiencies in the internal controls over financial reporting.

The Committee members praised the team for their work and for a clean audit.

The Audit Committee accepted the report from the Deloitte audit team.

The meeting was adjourned.

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