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**PUBLIC BUILDING COMMISSION OF CHICAGO
MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON
JUNE 25, 2025**

The Audit Committee Meeting of the Public Building Commission of Chicago was held at the Richard J. Daley Center on June 25, 2025, at 1:00 p.m.

The following Committee members were in attendance

Meeting Chair: Commissioner Whittley
Commissioner Samuel Wm. Sax
Commissioner Arnold Randall

Also attending:

Ray Giderof, Executive Director

John Beatty
James Borkman
Patrice Doyle
Anne Fredd, Neal & Leroy
Lisa Giderof
Gabriela Herrera, Neal & Leroy
Ally Knipfer, Deloitte & Touche, LLC
Bryant Payne (virtual)
Allen Truesdell, Deloitte & Touche, LLC
Tanya Foucher-Weekley
Mary Pat Witry

The meeting was called to order. The reading of the minutes of the June 26, 2024, 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 person.

The PBC's Director of Finance, Tanya Foucher-Weekley, reported on the Public Building Commission of Chicago's (PBC) draft Annual Comprehensive Financial Report (ACFR) for fiscal years ending 2024 and 2023. The team intends to submit the ACFR to the Government Finance Officers Association (GFOA) by June 30, 2025.

This year the PBC continued its relationship with the external auditors from Deloitte, supported by MBE/WBE partners Washington, Pittman, and McKeever, LLC, and Velma Butler & Co.

The report was prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) and meets all requirements for the State of Illinois. The PBC believes this report is accurate and is presented in a manner that clearly sets forth the financial position and results of the organization's operations.

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Periodically new accounting standards are issued, and the Commission is required to evaluate these standards for potential impact on the financial statements.

FY2024, the PBC evaluated GASB Statement No. 101 for compensated absences. Based on the evaluation, the effect of the GASB Statement was deemed immaterial to the financial statements as a whole.

The Director of Finance reported that the net assets of the commission exceeded liabilities by approximately \$61.5 million for the year ended December 31, 2024. Of this amount \$45.6 million was included in net investment in capital assets and \$15.9 million was restricted for use by the Daley Center and for Commission operations.

For 2024, the total assets and total liabilities of the Commission were \$179.1 million and \$116 million, respectively. Increases in both current assets and liabilities reflect increased project activity in FY2024.

In 2024, the PBC completed more than \$80 million in capital improvement projects across the city, including new schools, critical capital renovations at public libraries and health centers, and Works Progress Administration (WPA) street reconstruction and alley projects. The projects represent the PBC's commitment to excellence. As a result of these critical investments, the PBC reported operating revenues of \$120.3 million for the year ending December 31, 2024. Total operating expenses for year-end 2024 were \$123.36 million representing a \$17 million increase over 2023 revenues.

Each project underscores the PBC's dedication to excellence, collaboration and transparency - principles that guide their work and strengthen partnerships with stakeholders.

In 2025, the PBC expects to continue delivering valuable public amenities in a way that illustrates excellent stewardship of public funds. The PBC projects continued growth in the development of projects, which will directly affect the projected operating revenues and administrative revenues for Commission operations. The PBC looks ahead to a bright future. The Commission's fiscal management demonstrates how the PBC remains committed to the stewardship of public funds through exemplary cost and schedule control. Director Foucher-Weekley thanked the PBC Finance team and the partners at Deloitte.

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

Allen Truesdell from Deloitte and Touche, LLP (Deloitte) reviewed a PowerPoint Presentation with the Audit committee titled "Public Building Commission of Chicago 2024 Audit Results and Required Communications." Mr. Truesdell is Deloitte's Lead Client Service Partner.

He introduced himself and Ally Knipfer, the returning experienced Manager with Deloitte. Mr. Truesdell recognized the joint audit team MBE/WBE partners Washington, Pittman, and McKeever, LLC, and Velma Butler & Co. He acknowledged the benefits of the continuity of the team working successfully together for several years

Mr. Truesdell reported that the external audit is on time and anticipates issuing their modified opinion by June 30, 2025. The purpose of the Audit Committee meeting is to review the required communications.

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Mr. Truesdell reviewed the Executive Summary, stating that nothing in the current year had a significant impact on the audit. GASB Statement No. 101 did not have a material impact on the financial statements. He reported that GASB Statement No. 101 requires additional consideration of expanded approval for sick time. The PBC's policy ensures there is no incremental liability related to GASB Statement No. 101.

Ally Knipfer summarized the Required Communications, outlining Deloitte's responsibility under generally accepted auditing standards. Deloitte will express opinion about whether the financial statements are prepared in accordance with generally accepted accounting principles. As part of that, Deloitte considers internal controls over financial reporting but does not express an opinion on the operating effectiveness of controls. Deloitte is independent of the Commission. Deloitte will obtain the Management Representation Letter from management prior to issuance on June 30, 2025.

Commissioner Sax asked what actions would violate the PBC's independence standards. Mr. Truesdell responded, stating that Deloitte cannot act in a management capacity. Deloitte cannot provide services to the agency that they would audit. Deloitte cannot make management decisions on behalf of the Commission. There is a rigorous set of controls in place to monitor this, including training and tracking of services. The scope of Deloitte's services remains the same as previous years, as a test provider. Deloitte is not performing any non-test related services.

Commissioner Sax asked if Deloitte could provide recommendations on advanced technology. Mr. Truesdell responded that Deloitte could make recommendations regarding best practices.

Ally Knipfer continued to report on Required Communications. The Commission's significant accounting policies are set forth in Note 1 to the Commission's 2024 financial statements. Deloitte's responsibility is to conclude that the policies are appropriate, adequately disclosed, and consistently applied by management.

Ally Knipfer reviewed Uncorrected and Corrected Misstatements as part of the audit. The audit of the financial statements was designed to obtain reasonable assurance about whether the financial statements are free of material misstatement. As of today, there are no corrected or uncorrected misstatements this year.

The significant accounting estimates impacting the financial statements include depreciation, investments and other revenues that were evaluated as part of the audit. Deloitte noted no bias in management's judgements about the amounts and disclosures in the financial statements.

Commissioner Sax asked how the Picasso is valued. Mr. Truesdell responded that the Picasso is artwork and is not capitalized. Finance Director Tanya Foucher-Weekley further responded that the land and the building are included in the Commission's net assets. The artwork is insured.

Ally Knipfer reported regarding Other Communications. There is a long list, including no significant unusual transactions and no disagreements with management, among others. The Engagement Letter and Required Planning Communications have been issued. Allen Truesdell reported that Deloitte has provided the draft Management Representation Letter that will be circulated. Once Deloitte completes their procedures and final quality assurance reviews, the signed Representation Letter will be issued.

The Audit Committee accepted the report provided by Deloitte & Touche, LLP.

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The Executive Director, Ray Giderof, recognized the successful completion of the 2023/2024 audit and acknowledged the entire finance team, led by the Director of Finance, Tanya Foucher-Weekley. He also thanked the PBC partners at Deloitte and the PBC Audit Committee.

In collaboration with its municipal and county partners, PBC's work continues to have a positive impact on communities throughout the city and county. The PBC team remains focused on delivering the diverse portfolio of work that's currently underway. This past year has been one of continued collaboration and partnerships. The PBC's core mission is centered around accountability, reinforcing partnerships, and investing in equity as it relates to capacity building within the subcontracting community, the contracting community, and the professional service community.

Under the leadership and guidance of the Audit Committee, PBC Chairman, Mayor Brandon Johnson, the Board of Commissioners, and municipal and county partners, the PBC remains committed to building better together.

The PBC remains steadfast in its engagement and renewed partnerships with city and county agencies. In addition to the projects completed in 2024, the PBC has a variety of programs of work underway or planned for the year ahead, including new construction, renovation work, and infrastructure improvements on behalf of all PBC partners, including 2FM, CPS, CDOT, CPL, DPD, DFSS, Department of Water, Park District, City Colleges, and the Forest Preserve District of Cook County.

The PBC will continue to collaborate with partners to develop projects that reshape communities and public facilities by bringing improvements that offer lasting benefits to all residents and visitors. The PBC's collective work is transforming communities by creating employment and contracting opportunities.

Commissioner Sax, Commissioner Randall, and Chairman Whitley all acknowledged the work of the Commission, especially the Finance team, for the level of work involved in this process and thanked the team for their diligence and great job.

The meeting was adjourned.