New York City Housing Authority
Department of Internal Audit & Assessment (IA&A)

Minutes of Audit & Finance Committee Meeting
June 17, 2021

Board and Audit & Finance Committee Members:
Victor A. Gonzalez, Co-Chair
Mark N. Kaplan, Independent Member
Richard P. Kuo, Independent Member

NYCHA Board and Staff Members - Present:
Vilma Huertas, Special Advisor to the Chair
Annika Lescott, Executive Vice-President & Chief Financial Officer
Jeffrey Lesnoy, Controller, Financial Accounting & Reporting Services
Terrence Clarke, Acting Director, Department of Internal Audit & Assessment
Adham Choucri, Deputy Director, Revenue & Receivables, Financial Accounting & Reporting Services
Ah-Yat Lee, Deputy Director, General Ledger, Financial Accounting & Reporting Services
Anil Agrawal, Assistant Director, Department of Internal Audit & Assessment

Deloitte & Touche LLP – Present:
Jill Strohmeyer, Lead Engagement Managing Director
Darshan Patel, Senior Manager
Johnny Waldschmidt, Audit Manager

Technical Support Team:
Euripides DeLosSantos, Ramon Lugo, Frank Cavaleri, Frank Iannone, Ray Zamaria
Humberto Rosero, Andy Nagy

A meeting of the Audit Committee members of the New York City Housing Authority ("NYCHA" or the "Authority") was held remotely[1] on June 17, 2021 at approximately 10:02 AM.

Terrence Clarke, Acting Director of Department of Internal Audit & Assessment, commenced the meeting by welcoming the Audit & Finance Committee members and the attendees.

I. Approval of Minutes:

Upon motion duly made and seconded, the committee members unanimously approved the minutes of the April 22, 2021 Audit Committee meeting.

[1] Because of the ongoing COVID-19 health crisis and in relation to Governor Andrew Cuomo's Executive Orders, the Audit & Finance Committee Meeting of the New York City Housing Authority, held on Thursday, June 17, 2021 at 10:00 A.M., was limited to viewing the live-stream or listening via phone instead of attendance in person.

II. Annual Comprehensive Financial Reports (ACFR) for 2020:
Jeffrey Lesnoy, Controller discussed the financial results presented in the Annual Comprehensive Financial Reports (ACFR)[2] for NYCHA, NYCHA Public Housing Preservation I LLC (LLC I) and NYCHA Public Housing Preservation II LLC (LLC II).

Mr. Lesnoy noted that financial statements for 2020 and 2019 are comprised of Statements of Net Position and related Statements of Revenues and Expenses and Changes in Net Position and Statements of Cash Flows and the related notes of the financial statements, which are all presented in conformity with Generally Accepted Accounting Principles (GAAP). Also included within these financial statements is Management's Discussion & Analysis and Required Supplementary Information in conjunction with the financial statements.

Mr. Lesnoy commenced his presentation with discussion of two major transactions for NYCHA, under the PACT[3] program, which were Brooklyn and Manhattan bundles. Each contract established 99-year leases and approximately 4,300 units were included in the contracts. The goal is to facilitate conversion of apartments from Public Housing to Section 8 and ultimately to allow the developers to finance building repairs and improvements while preserving long-term affordability from an economic perspective. NYCHA received $123 million of initial rent payments, $20 million purchase money note, and $20 million of developer fees. The majority of the compensation is to be recognized over 30 to 40-year period as per Governmental Accounting Standards Board (GASB) Statement Number 62.

In addition, NYCHA had one other notable transaction on the Ingersoll development where vacant land and development rights were sold. This transaction resulted in recognition of about $25 million revenue in 2020.

There were two other noteworthy events during the year: the first one not surprisingly is COVID-19, which had impact throughout the world and throughout the country. NYCHA has committed to taking emergency protective measures to sanitize facilities and provide safety to its residents and employees during these challenging times. It includes building fences around playgrounds. It also includes providing air conditioning to seniors for their units since they were not able to enter community centers due to social distancing. In addition, it included a variety of other types of costs in order to provide various services, which all added up to a significant value in 2020.

For the Public Housing Program, 2020 costs related to COVID-19 amounted to $78 million, and costs continue to be incurred in 2021. In addition, 2020 costs within the Section 8 program totaled about $10 million.

CARES Act funding for Public Housing provides funding to prevent, prepare for, and respond to COVID-19, including maintenance of normal operations. NYCHA received a grant for $150 million, of which $120 million was drawn in 2020; the balance will be drawn down in 2021.

[2] Governmental Accounting Standards Board (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term *Annual Comprehensive Financial Report* and its acronym *ACFR.* That new term and acronym replace instances of *Comprehensive Annual Financial Report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

[3] Permanent Affordability Commitment Together (PACT) program creates public-private partnerships to repair and manage the developments. It generates a sustainable funding source for extensive repairs and ongoing property management while guaranteeing permanent affordability and protecting tenant rights. PACT is New York City's implementation of the federal government's Rental Assistance Demonstration (RAD), which includes collaboration between NYCHA, residents, and housing advocates.

CARES Act funding for Section 8 grant was $37 million, of which $10 million was spent in 2020. In addition, NYCHA received FEMA funds of $8 million, covering 75% of eligible costs (25% cost shared by NYCHA).

Lastly, COVID-19 had direct impact on the local economy as well as tenants' ability to make rent payments. There was a very significant decrease in rent collections beginning in March 2020, which continued through the full year 2020 and into 2021. For perspective, 2020 rent revenue, net of allowance for doubtful accounts decreased by $91 million in total, much of which is due to the impact of COVID-19 on the economy.

Mr. Lesnoy continued his presentation with discussion of Pollution Remediation liability related to Lead-based Paint – the topic which was also discussed in last year's Audit Committee meeting.

New York City Local Law 1 requires landlords to take certain actions to prevent lead poisoning in children under 6 years. In early 2019, NYCHA entered into an agreement with U.S. Department of Housing and Urban Development (HUD), the US Attorney's Office for the Southern District of New York and The City of New York (the "Agreement"). Per the Agreement, amongst other requirements, NYCHA agreed to perform annual visual assessments, perform remediation, and abate lead in all apartments and interior common areas within 20 years period and abate lead in exterior common areas at an agreed upon timeline.

GASB 49[4] requires recording of pollution remediation liability, including all expected costs in order to abate the full problem over time. Since some housing units are exempt[5], 134,000 of the 172,000 apartments require testing. As of December 31, 2019, we estimated and recorded the liability of $2.8 billion. Based on 30% of the apartments tested previously, it was estimated that 32% apartments in the target group may have positive lead findings.

In 2020, NYCHA collected a greater sample of the population, tested about 50% of the units and determined that 27% of the units have positive lead in it as opposed to 32 percent estimated last year. As a result, the amount of lead liability was reduced. However, estimated costs of lead abatement activities actually increased over original estimates. Therefore, on a net basis, the total pollution remediation liability was reduced by approximately $200 million to $2.6 billion.

Mr. Lesnoy further clarified that The City of New York has agreed to provide incremental financial support to NYCHA of $2.2 billion over a 10-year period. Pursuant to the Agreement, an action plan was created by NYCHA management, which was approved by the Federal Monitor in May of 2021. Of the $2.2 billion funding, $772

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[4] Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations. These obligations relate to addressing the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the Statement excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post-closure care.

[5] NYCHA presumes the presence of lead-based paint in target housing built prior to 1978 unless the unit is exempt due to negative lead findings of an inspection, exemption or record of prior abatement. Of the total 172,000 units in the NYCHA portfolio, the target housing consists of approximately 134,000 units and associated common areas. The remaining are considered exempt housing units. Per HUD's Lead Safe Housing Rule, A covered dwelling unit *is* exempt from needing a risk assessment under the following scenarios:

- The property has been certified by a State- or EPA-certified lead inspector as lead-based paint free or all lead-based paint has been identified and removed through abatement, and clearance has been achieved.
- The dwelling unit is scheduled for demolition.

million has been allocated to lead paint abatement, while the remainder has been allocated to activities that are unrelated to lead but are within the six pillars of the Agreement.

Upon Mr. Gonzalez's inquiry regarding allocation of the $123 million on the PACT transactions, Mr. Lesnoy clarified that the $123 million were initial rent payments combined on the Brooklyn and Manhattan bundles, which will be recognized over a 30 to 40 year period based on the accounting standards. However, the developer fees are recognized when the services are provided; therefore, developer fees will be amortized over the projected rehabilitation periods of the properties over the next one to two years.

In response to Mr. Gonzalez's concern regarding whether all borough properties are included in respective Brooklyn and Manhattan bundles, Annika Lescott, Executive Vice-President & Chief Financial Officer clarified that these specific transactions include specific developments within each borough that were converted from public housing funding to Section 8 project-based vouchers.

Mr. Kuo asked: Does Section 8 also apply to Public Housing? Ms. Lescott replied that a Public Housing Authority can also have Section 8 units; the Section 8 program is not necessarily just for private owners.

Mr. Lesnoy continued his presentation with the following overview of the financial results for 2020:

- Operating revenues have decreased by about $97 million from 2019 and mostly due to decrease in the tenant revenue. About $17 million is due to lesser number of units because of the PACT transactions. The remaining $80 million is due to reduced collection resulting from the economic impact of COVID and higher unemployment. [*Mr. Kaplan commented that you can't squeeze money from the people who are adversely affected. Ms. Lescott mentioned that there is one silver lining we might see in 2021 – there is an Emergency Rental Assistance Program at the state level whereby tenants can apply to receive money from the state to pay their rent arrears and that money would go directly to the landlord. However, it is difficult to estimate the revenue at this time.*]
- Total operating expense increased by about $330 million.
- OPEB (Other Post-Employment Benefits) increased by $130 million due to actuarial reduction in discount rate from 3.26% to 1.93%.
- Rent for leased dwellings, i.e. Section 8 rent increased by about $78 million due to higher payments per voucher unit and due to an increase in number of units in the program. However, this expense increase was entirely offset by a corresponding increase in subsidy for Section 8 Housing Assistance Program.
- Depreciation expense increased by $30 million due to continued building improvements throughout NYCHA.
- In Other Expense category, there was an increase of about $78 million due to COVID related expenses.
- Non-operating revenues increased by about $374 million. Mainly subsidies and grants increased by $205 million, majority of which consisted of $120 million grant recognized from CARES Act Public Housing and $10 million recognized from CARES Act Section 8. In addition, the Section 8 Housing Assistance Program payments increased by $77 million.
- In 2020, we recognized $57 million revenues from real estate transactions derived from Brooklyn Bundle, Manhattan Bundle, Baychester Murphy and the Ingersoll sale of land and development rights. In 2019, we recognized $146 million of losses in real estate transactions, most of which related to the Ocean Bay-Bayside transaction.
- In 2019, NYCHA had recorded $2.8 billion of "Pollution remediation costs - lead based paint" as a Special Item[6] per GASB guidelines. In 2020, $201 million reduction in expected costs of pollution remediation

[6] Per GASB 34, a special item is a significant transaction or other event within the control of management that is either unusual in

obligation is reflected.

- Net position has moved up by about $646 million compared to 2019.
- Cash and Investments is roughly the same in the aggregate as it was as of 2019.
- On Accounts Receivable side, it increased by about $60 million dollars from $860 million to $920 million. On a net basis tenant receivable is not increasing from year to year. There are increases in amounts from the City of New York and from HUD, which are collectible but is just a timing issue.
- From a liability perspective, Unearned Revenue (current and non-current) increased by about $214 million, of which the majority represents the acquisition costs for the initial lease payments received on the Brooklyn Bundle and the Manhattan Bundle. Such unearned revenue will be amortized and recognized over an extended period of time.
- The claims payable has increased to some extent because of a reduction in discount rate.

Mr. Kaplan inquired whether the cash received form sale of properties is invested or spent in operations. Ms. Lescott elaborated that some proceeds from these deals are restricted and placed in escrow, which requires HUD approval for NYCHA to use. On the other side, some funds are unrestricted and can be used by the Authority for operating expenses. The Chair actually set aside $10 million to be used for working capital, but we may have spent about $1 million to support the Transformation Plan. We have been pretty judicious about how we use those funds.

Mr. Lesnoy completed his presentation on financial results of NYCHA with the following notable items:

- OPEB liability increased by about $600 million largely due to dramatic reduction in discount rate from 3.26% to 1.93%.
- Pollution Remediation Obligations (current and non-current combined) declined by close to $300 million due to the reduction of expected costs, driven by lower positive lead estimations, and payments made for actual costs. As actual remediation and abatement activities occur each year, there will be payments for such activities, which will reduce the liability; so over time this liability will go down to zero.

Mr. Kaplan made a remark that the OPEB liability would not go down to zero. He added that the OPEB liability on the City's books is $107 billion.

Mr. Lesnoy concluded his presentation with a brief discussion about financial information regarding NYCHA Public Housing Preservation I LLC (LLC I) and NYCHA Public Housing Preservation II LLC (LLC II). Note that the amounts of pollution remediation obligation were distributed to both LLC's based on number of units for each entity.

- For LLC I, Tenant revenue went down by $6 million, driven by the same factors that we have seen in NYCHA. Total operating expenses went up by $2.7 million, of which COVID related costs amounted to $3 million. Subsidies of $109 million was roughly the same as last year – it included $70 million Federal operating subsidy, $28 million from Section 8 funds and $9 million for an allocation of the CARES Act funding. In addition, there has been a significant flip in the non-current assets from "construction in progress" to "other capital assets net of depreciation" indicating that many projects were completed or were completed more than 95 percent. Special Item was LLC I's share of expected change in cost of the Pollution Remediation Obligation of $11 million reduction. Most of this liability sits in the non-current category.

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nature or infrequent in occurrence. For NYCHA, this is the first time in its history of more than 90 years that such massive effort of Pollution Remediation has been initiated.

- Four LLC II developments were included in the 2020 PACT transactions and the remaining two developments are scheduled to be included in 2021 PACT transactions. If everything goes as planned, at the end of 2021 there will be no more developments in LLC II, and we may not need to prepare or audit financial statements for LLC II for the years after 2021.
- For LLC II, tenant revenue went down partly due to the general economic conditions and largely due to the Brooklyn Bundle which closed in February 2020, where we did not receive rent for most of the year. For the same reason, total expenses also went down despite the COVID related expenses. Two additional developments closed as part of the Manhattan Bundle at the end of November 2020.
- All assets relating to the closed LLC II developments were transferred to NYCHA at its book value, which resulted in a $45 million Loss on transfer of assets, while NYCHA had an offsetting gain. In addition, all debt with NYCHA for these four developments was forgiven and any debt with the New York City Housing Development Corporation (HDC) was assumed by NYCHA and subsequently paid off with deal proceeds. This resulted in a $25 million Gain on forgiveness of debt on LLC II's financial statements with an offsetting loss on NYCHA' financial statements. In consolidation of the component units, these large gains and losses were all offset on NYCHA's financial statements.
- There was a very significant reduction in Pollution Remediation Liability for LLC II due to the fact that the obligation for pollution remediation has been removed as a result of transfer of the assets to NYCHA.

Mr. Kaplan commented that an entity may not be able to get rid of pollution obligations by merely transferring it to another entity. The pollution remediation liability may still reside with the original obligor/seller. Mr. Lesnoy replied that, per his understanding, the developers that take on the rights and responsibilities also take on the obligations of the property. However, Mr. Lesnoy indicated that he would discuss/confirm with the Chief Compliance Officer.

Mr. Kaplan also stated that he appreciated the presentation for its thoroughness. Mr. Clarke thanked Mr. Lesnoy and Ms. Lescott from Finance and invited Ms. Strohmeyer from Deloitte to discuss the Audit Committee Letter.

III. Audit Committee Letter from Deloitte:

Jill Strohmeyer, Managing Director from Deloitte discussed the Statement of Auditing Standards (SAS) 114 which covers the Independent Auditors' required communication with the Audit Committee and senior management[7]. Key points relating to this communication are that:

- Deloitte is an Independent Auditor with respect to the Authority, and audited the financial statements for the New York City Housing Authority, NYCHA Public Housing Preservation I, LLC ("LLC I"), and NYCHA Public Housing Preservation II, LLC ("LLC II") for the year ended December 31, 2020.
- The financial statements were audited in accordance with two sets of auditing standards: the ones that were established by the AICPA as well as the standards established per Governmental Auditing Standards.
- The Authority's significant accounting policies are set forth in Note 1 to the Authority's 2020 financial statements. The auditors are not aware of any significant changes in previously adopted accounting policies or their application during the year ended December 31, 2020.
- The auditors evaluated the significant qualitative aspects of the Authority's accounting practices, including accounting policies, accounting estimates and financial statement disclosures and concluded that the policies were appropriate, adequately disclosed and consistently applied by management.
- There were no new GASB pronouncements that were required to be adopted in this year.
- There were no uncorrected misstatements that were identified by the audit team during the audits of

[7] It is also called "those charged with governance" letter.

NYCHA and LLC's. In addition, there were actually no material corrected items that were brought to the attention of management.

- There was no disagreement with management with regard to the financial statements, and the auditors received full cooperation from management and their team during the course of the audit.
- The auditors were provided unrestricted access to the Authority's Senior Management during the performance of the audits. They had discussions with the CEO and Chair, the General Manager, Compliance Officer, Chief Financial Officer and the Controller during the course of the audit.
- The Deloitte's Independent Auditor report contains an unmodified opinion for all three entities.
- There were no significant deficiencies noted during the audit.
- The report is expected to be dated June 17, 2021.
- Other-Matter paragraphs relate to the Required Supplementary Information per GASB. In addition, for the two LLC's, there are "Emphasis of Matter" paragraphs related to the fact that they do have significant transactions and receive significant subsidies from the Authority.

Ms. Strohmeyer stated that Deloitte plans to issue the reports on the 2020 financial statements shortly after the Audit Committee meeting. However, the 2020 Single Audit Report will be issued in December and will be discussed in a separate meeting.

She further provided a briefing on the accounting estimates tested during the course of audit. Deloitte's Actuary team was used in calculating estimated liability and testing accuracy of claims data. These accounting estimates mainly relate to Pension Benefits, Other Post-employment Benefits (OPEB), Pollution Remediation liability and market value of Investments. Based on the procedures performed, amounts reported appear reasonable in the context of the financial statements taken as a whole.

Ms. Strohmeyer was pleased to state that $45 million extrapolation done last year related to missing documentation[8] is no longer warranted or needed to be communicated to the Committee, since the documents related to lead paint for three items were provided to the audit team during the course of this year's audit work. The audit evidence that was provided was satisfactory.

Further, Ms. Strohmeyer discussed the draft management representation letter, which was attached as Appendix to the Audit Committee Letter. It will need to be signed by management prior to issuance of the audit reports. The management representation letter has been presented in Track Changes mode to show changes compared to the last year's letter, per the Audit Committee request in prior years. There is only one combined management representation letter for all three entities.

The biggest change to the Management Representation Letter this year relates to the removal of the Single Audit Representations, which will be included separately in a letter in December prior to the release of the Single Audit related reports. In addition, this year Deloitte also added a representation relating to CARES Act funding as well as a representation related to GASB 87 – the new lease standard that will be adopted by the Authority in 2022.

IV. Approval of Financial Statements:

Upon motion duly made and seconded, the Audit Committee members unanimously approved the financial statements and the related reports for (1) NYCHA, (2) LLC I and (3) LLC II.

[8] During 2019 audit, the audit team had requested evidence for 26 selections from the exempt housing units related to lead paint, but audit evidence could not be provided for three selections. The audit team extrapolated impact of the error to the entire population, which had resulted in a potential understatement of approximately $45 million of the pollution remediation liability.

V. Deloitte's Status Update on 2020 Single (Compliance) Audit:

Jill Strohmeyer, Managing Director from Deloitte invited Darshan Patel, Senior Manager and Single Audit Specialist to report progress related to the Single Audit which is expected to be issued in December 2021[9].

Mr. Patel advised the Committee that Deloitte performed interim procedures and planning in April. Based on the Uniform Guidance issued by the Office of Management and Budget (OMB), Deloitte team performed a risk assessment and has selected the following programs for testing:

- Community Development Block Grants/Entitlement Grants - CFDA 14.218
- Housing Voucher Cluster:
  - Section 8 Housing Choice Vouchers - CFDA 14.871
  - Mainstream Vouchers - CFDA 14.879
  - HCV CARES Act Funding - CFDA 14.HCC
- Public Housing Capital Fund (CFP) - CFDA 14.872: Deloitte tests this program every year. They are required to test this program every year because of a closeout component related to it.

Mr. Patel stated that management has provided the population for all three programs and Deloitte has selected the samples. Management is in the process of providing the necessary documentation. Deloitte will issue the report in mid- December after auditing the three major programs. Deloitte will also procedures related to the Real Estate Assessment Center or REAC[10] submission in December.

Mr. Patel noted that Public Housing CARES ACT Funding - CFDA 14.PHC was initially selected as a separate program to be audited. However, it is now considered a part of the Public and Indian Housing Operating Fund. Therefore, it will not be audited this year, but Deloitte will be auditing it next year.

Upon Mr. Gonzalez's inquiry, Ms. Strohmeyer clarified that the auditors are required to audit every major program at least once every three years. Since Deloitte audited the Operating Fund in 2018, it will be up for rotation again for testing next year in the audit plan. HUD has actually issued some white papers and some directives that describe the CARES ACT Funding, based on which it is not necessary for the auditors to test this specific funding as a separate program and the auditors can use the rotation cycle. Accordingly, Public Housing Operating Fund and the related CARES Act Funding will be audited as a part of 2021 audit.

Mr. Patel added that HUD provided to NYCHA two CARES Act funds: one under Housing Choice (Section 8) and the other under Public Housing Operating Fund. As noted above, under Housing Voucher Cluster, Deloitte

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[9] Office of Management and Budget (OMB) has provided a six-month extension on the due date for the Single Audit submission. In a normal year, NYCHA's Single Audit submission would be due nine months after the Fiscal Year End or September 30th. With this six-month OMB extension, the 2020 single audit is now considered due in March of 2022. NYCHA management does anticipate using part of that extension and plans to have a Single Audit ready for issuance in December 2021. This timeline is the same as it was last year.

[10] NYCHA's financial data is electronically uploaded to HUD's REAC (Real Estate Assessment Center). REAC's mission is to provide and promote the effective use of accurate, timely and reliable information assessing the condition of HUD's portfolio; to provide information to help ensure safe, decent and affordable housing; and to restore the public trust by identifying fraud, abuse and waste of HUD resources. REAC's "product" is information -- To deliver a quality product, REAC depends on the successful partnership of people and technology. At the heart of this technology is an internet-worked data base of comprehensive and objective information drawn from existing government systems and from an on-going program of property inspections, analysis of financial and management reports, and resident surveys.

will be actually auditing three programs.

Ms. Strohmeyer further added that HUD added designation of HCC and PHC to the CFDA numbers for Housing Choice and Public Housing respectively to denote CARES Act Funding.

Mr. Kuo inquired whether the funding received under the CARES Act can be used for PACT Transition from Public Housing Section 8. Ms. Lescott replied negatively and explained that the CARES Act Funds under the Public Housing Operating Fund program can be used only to support the Public Housing Program. NYCHA used for maintenance operations and to support COVID related activities. On the other side, CARES Act Funds given under the Section 8 Program can only be used for specific activities listed under HUD guidelines, which are mostly COVID related activities and some items are also general activities to support the Section 8 Program.

Mr. Kuo further inquired whether the CARES Act funds can be used for renovations and capital improvements for the Public Housing being converted to Section 8 under the PACT. Ms. Lescott replied negatively again. Once the property leaves the Public Housing Program and goes into Section 8, you cannot use the Public Housing Funds to support that property any longer. Mr. Gonzalez added that upon conversion of the properties under PACT program, the private management companies (developers) take responsibility for dealing with the operations of maintenance and renovations.

Mr. Patel concluded his remarks on Deloitte's status of the 2020 Single (Compliance) Audit.

Executive Session:

Upon motion made and duly seconded, The Audit & Finance Committee met in an executive session at about 11:45 AM to discuss non-public financial matters of the Authority with the Independent Auditors Deloitte and Touche.

Adjournment:

The Audit & Finance Committee meeting resumed at 12:01 PM. Mr. Clarke thanked everyone for their participation in the meeting. Upon motion made and duly seconded, the meeting was adjourned at 12:02 PM.