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AUDITING STANDARDS BOARD (ASB) MEETING

June 21-24, 2010

Atlanta, GA

MEETING ATTENDANCE – UPDATE THIS

ASB Members

Darrel Schubert, *Chair*

Ernie Baugh

Sheila Birch

Brian Bluhm

Rob Chevalier

Jacob Cohen

Charles Frasier

Andy Mintzer

David Morris

Kenneth Odom

Thomas Ratcliffe

Brian Richson (6/21)

Randy Roberts

Tom Stemlar

Mark Taylor

Steven Vogel (6/22-24)

Phil Wedemeyer

Megan Zietsman (6/21-23)

AICPA Staff

Linda Delahanty, *Audit & Attest Standards*

Mike Glynn, *Audit & Attest Standards* (6/22)

Ahava Goldman, *Audit & Attest Standards*

Hiram Hasty, *Audit & Attest Standards* (6/23-24)

Chuck Landes, *Audit & Attest Standards* (6/22-24)

Richard Miller, *General Counsel & Trial Board*

Andrew Mrakovcic, *Audit & Attest Standards*

David Scott, *PD-Course Development*

Linda Volkert, *PCPS Technical Issues Committee*

Absent

David Duree (designated representative, Terry Ford)

Observers and Guests

Jim Dalkin, *GAO*

Julie Anne Dilley, *PricewaterhouseCoopers LLP*

Terry E. Ford, *Weaver LLP*

Brian Fox, *Confirmations.com* (6/21)

Diane Hardesty, *Ernst & Young LLP*

Jan Herringer, *BDO Seidman LLP*

Jack Krogstad, *SEC*

Landy Johnson, *KPMG LLP*

Maria Manasses, *Grant Thornton LLP*

Bryan McCorry, *KPMG LLP*

Susan Menelaides, *McGladrey and Pullen, LLP*

Mark Nichols, *Mayer Hoffman McCann P.C.*

Dan Montgomery, *Ernst & Young LLP* (6/22)

Mindy Montgomery, *Deloitte & Touche LLP*

Cynthia Teddleton, *GAO* (6/23-24)

Mary Anne White, *Thomson Reuters*

Kurtis Wolff, *Reznick Group* (6/22)

Chair's Report

Mr. Schubert and Mr. Landes updated the ASB on items of interest.

The ASB unanimously approved the highlights of the May meeting.

AGENDA ITEMS PRESENTED AT MEETING

1. External Confirmations

Ms. Zietsman, chair of the External Confirmations Task Force (Task Force), led a discussion of the proposed SAS, *External Confirmations* (the proposed SAS). The purpose of the discussion was to discuss final changes to the proposed SAS and vote to issue the proposed SAS as a final standard.

Ms. Zietsman discussed the changes made to the proposed SAS since the January 2010 meeting, which included wording changes for consistency purposes throughout the standard as well as reference updates to keep references current. No specific issues were brought to the ASB for discussion. The ASB directed the Task Force to make the following changes:

- Add the word “written” to “response to a positive confirmation request” in paragraph 13

- Minor revisions to paragraphs A1, A9, A11, A14, A15, A19, and A21 to clarify the language used
- Change the reference in paragraph A22 from the requirement in paragraph 12 to the requirement in paragraph 11 when the auditor is unable to resolve doubts about the reliability of a response that occur as a result of restrictive language and delete the last sentence of the paragraph
- Delete paragraph A23
- Move the content from paragraph A30 and incorporate it into paragraph A25 to improve the flow of the application material related to nonresponses; move new paragraph to the end of the section related to nonresponses
- Minor revisions to paragraph A27 to clarify language used
- Clarify in paragraph 18b. of the conforming amendment that external confirmation procedures are required for material accounts receivable

The ASB voted to ballot the standard for issuance as a final standard.

2. Letters for Underwriters

Phil Wedemeyer, Chair of the Letters for Underwriters Task Force, led the ASB in a discussion of a revised draft of the proposed Statement on Auditing Standards (SAS), *Letters for Underwriters*.

The ASB directed the Task Force to make the following changes in the proposed draft:

- Throughout the draft, make various wording changes, including changing
 - *auditing standards established by the AICPA to auditing standards generally accepted in the United States of America*
 - *provide positive or negative assurance to comment and provide positive assurance to express an opinion* to more precisely reflect what is stated in the letter
 - *registration statement to securities offering*
- Par. A22, delete the sentence “Based on our discussions with [*name of client or legal counsel*], the procedures set forth are similar to those that experience indicates underwriters often request in such circumstances.”
- Par. A61, delete the sentence “However, the SEC generally will not question the auditor’s independence when services are limited to issuing a report on a forecast as a result of performing the procedures stated in paragraph 5 of AT section 301.69, Appendix B.”
- Exhibit 2, Example D, add omitted wording from extant example D relating to compliance as to form with the applicable accounting requirements of rule 11-02 of Regulation S-X

The ASB voted to ballot the proposed SAS for issuance as an exposure draft

3. Fraud

Mr. Stemlar, Chair of the Fraud Task Force, led the ASB in a discussion of a revised draft of Proposed SAS, *Consideration of Fraud in a Financial Statement Audit* (Redrafted), which will

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replace the guidance in AU section 316, *Consideration of Fraud in a Financial Statement Audit*. The ASB issued an exposure draft (ED) of the proposed SAS in January 2009 based on ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*. The comment letters and a revised draft of the proposed SAS were last discussed by the ASB at its January 2010 meeting.

Following is a summary of the significant issues discussed at the meeting:

- During the discussion of Issue 1, *"Risk Assessment Procedures and Related Activities—Management and Others Within the Entity,"* in the cover discussion memorandum, the ASB agreed with the Task Force's recommendation not to include in the proposed SAS the suggested application paragraphs that the Task Force drafted (and presented in the memorandum) in order to increase auditor awareness of the importance of the behavioral aspects of those they interview. However, the ASB directed the Task Force to consider developing an application paragraph to the proposed SAS that emphasizes conducting in-person discussions with management and others within the entity when making inquiries. Subsequent to the meeting, an application paragraph, revised from one shown to the ASB at the meeting, was e-mailed to the ASB and there was overwhelming support by the ASB to add it as paragraph A17 to the proposed SAS.
- During the discussion of Issue 2, *Comments Received From ASB Members Subsequent to January 2010 Discussion,* in the cover discussion memorandum, the ASB directed the Task Force to add a new application paragraph (A3) to the proposed SAS in order to reinforce the first sentence in paragraph 3. The first sentence in paragraph 3 reads, "Although fraud is a broad legal concept, for the purposes of generally accepted auditing standards (GAAS), the auditor is primarily concerned with fraud that causes a material misstatement in the financial statements." The word "primarily" was added as a result of a suggested comment received subsequent to the January 2010 ASB meeting, during which the sentence reading "As discussed in paragraph 3, the auditor is concerned with fraud that causes a material misstatement in the financial statements" was deleted from the definition of *fraud*.
- Also during the discussion of Issue 2, the ASB directed the Task Force to include the suggested new application paragraph (A24), which provides background information about data analysis techniques, to the proposed SAS, as well as subparagraph c., which provides an additional suggested example of analytical procedures relating to revenue, to paragraph A25 of the proposed SAS.
- The ASB directed that the following text, which had been deleted by the Task Force when it revised the proposed SAS in response to comment letters received, be reinstated in the proposed SAS in condensed form:

obtain an understanding of the entity's financial reporting process and the controls over journal entries and other adjustments, and determine whether such controls are suitably designed and have been implemented. However, even though controls might be implemented and operating effectively, the auditor's procedures for

testing journal entries and other adjustments should include the identification and testing of specific items.

In addition, various other less significant and largely editorial changes were suggested. The ASB unanimously voted to ballot the ED for issuance as a final clarified SAS. This final clarified SAS will be released when proposed SAS *Written Representations* is finalized as a clarified SAS in August 2010 in order to reflect the conforming amendment that is presented in Appendix 2 of proposed SAS *Written Representations*.

4. Initial Engagements

Mr. Mintzer, Chair of the Initial Audits Task Force (Task Force), led a discussion of the materials for proposed SAS *Opening Balances—Initial Audit Engagements, Including Reaudit Engagements*. The proposed SAS combines ISA 510 *Initial Audit Engagements—Opening Balances* and relevant content from AU 315 *Communication Between Predecessor and Successor Auditors*.

The ASB directed the Task Force to:

- Revise paragraph 8(c) to require the auditor to evaluate whether audit procedures performed in the current period provide evidence relevant to the opening balances and perform one or both of the following: (1) review the predecessor auditor's audit documentation to obtain evidence regarding the opening balances or (2) perform specific audit procedures to obtain evidence regarding the opening balances.
- Combine paragraphs 12 and 13 to improve their clarity.
- Include an illustrative report disclaiming an opinion on operations and cash flows and expressing an unmodified opinion on financial position.
- Update the illustrative successor auditor acknowledgment letter to reflect changes in the proposed SAS.

The ASB voted unanimously to ballot the SAS for issuance as a final standard.

5. Subsequent Events

Ms. Birch, chair of the Subsequent Events Task Force (Task Force), led a discussion of the proposed SAS *Subsequent Events and Subsequently Discovered Facts*.

With regard to the issue presented, the ASB agreed with the Task Force not to include an additional requirement to require the auditor to extend previous oral or written inquiries of the entity's legal counsel. This decision is consistent with International Standards on Auditing (ISA). However, the ASB requested that the application and other explanatory material include a reference to proposed SAS *Audit Evidence – Specific Considerations for Selected Items*, which is

expected to address the auditor's responsibility to seek direct communication with the entity's legal counsel concerning litigation, claims, and assessments through the date of the auditor's report.

The ASB discussed issues related to dual-dating the auditor's report. Although the application guidance in the proposed SAS is consistent with the ISAs, current practice may allow the auditor to dual-date the report with the same date as the subsequent event, and not the date the auditor completed the procedures in auditing the event. The ASB concluded that the requirement for dual-dating the auditor's report should be consistent with the requirement for dating the original report. That is, when management amends the financial statements and the auditor reports on the amended financial statements, the dual-date included in the auditor's report cannot be earlier than the date on which the auditor carried out the audit procedures necessary in the circumstances on the amendment, including that the documentation has been reviewed and management has prepared and has asserted that they have taken responsibility for the amended financial statements. This may result in a dual-date that may differ from the subsequent event date. Yet, the auditor is concerned with subsequent events that require adjustment of, or disclosure in, the financial statements through the date of the auditor's report or as near as practicable thereto on the amended financial statements. Therefore, management's representations concerning events occurring subsequent to the date of the financial statements is required to be made as of the date of the auditor's report on the amended financial statements. In this regard, the ASB directed the Task Force to include specific requirements for the auditor to request management to provide written representations as of the dual-date (or the new date) of the auditor's report. Essentially, these representations address whether

- a. any information has come to management's attention that would cause management to believe that any of the previous representations should be modified.
- b. any other events have occurred subsequent to the date of the financial statements that would require adjustment to or disclosure in those financial statements.

Other comments received included (paragraph references are to the June 2010 documents):

- Paragraph 19(c), align the requirement to request management to provide updated written representations with the new representation requirement described above. Also, clarify that the updated representations are provided at or near the date of reissuance.
- Paragraph 20(c), refer to the "predecessor auditor should assess the steps taken by management as required by paragraph 17(b)" in lieu of "the auditor should apply the requirements of paragraph 17(b)" to provide additional clarity as to the auditor's responsibilities.
- Paragraph A2, replace "one of several" with "one or more," to more clearly describe the period between the date of the financial statements and the date of the auditor's report
- Paragraph A10, soften the language that could be read to infer that the report date and the representation letter are always the same date.
- Paragraph A11, delete this paragraph, which includes a reference to proposed SAS *Terms of Engagement*, and instead include the reference in a footnote to paragraph A10.

- Paragraph A12, refer to the “original date of the auditor’s report” in lieu of “report date.”
- Paragraph A16, refer to the “original date of the auditor’s report” in lieu of “auditor’s report date” and “date of the financial statements” and replace “the auditor does not perform” with “the auditor is not required to perform.” The paragraph was also moved after paragraph A17.

The ASB unanimously voted to ballot the SAS for issuance as a final standard.

6. Terms & Representations

Ms. Goldman led the ASB in a discussion of the comments received on exposure of, and revised drafts of, proposed Statements on Auditing Standards (SAS), *Terms of Engagement* and *Written Representation*.

Terms of Engagement

Regarding the issues raised in the Exposure Draft, the ASB agreed with the retention of the requirement, as exposed, that the auditor remind the entity of the existing terms of the engagement each year, and the option for the reminder to be oral. The ASB discussed whether to require that the engagement letter be signed. Application material was added to paragraph A24 noting that management’s signature provides evidence of management’s acknowledgement of receipt of the audit engagement letter and agreement to the terms of the engagement outlined therein.

The ASB discussed whether to add application material to paragraph 11 noting that each year is a separate engagement, not a continuation of one engagement, and concluded that the statement in paragraph A28 referencing “the terms of the preceding audit will govern the current engagement” makes this point.

The ASB directed the Task Force to make certain editorial changes.

Written Representations

The ASB directed the Task Force to

- (par. 10) add the specific representation relating to management’s responsibilities regarding internal control and add a reference to par. 6(b)(ii) of SAS *Terms of Engagement*.
- (par. 25) add application material from extant AU section 333.13 regarding the implications for the auditor’s report of management’s refusal to provide written representations
- (Exhibit 1) add all representations required by paragraphs 10 – 18, and italicize those representations in the illustrative letter that are not required. Additionally, an ASB member requested that the Task Force consider adding representations regarding concentrations of credit risk, significant risks and contingent liabilities to the illustrative letter.

Revised drafts will be brought to the ASB in August 2010 to be voted for balloting for issuance as final standards.

7. Analytical Procedures

Mr. Conn, Chair of the Analytical Procedures Task Force (Task Force), led a discussion of the comments received as a result of the exposure of the proposed SAS, *Analytical Procedures*.

The following is a summary of the major issues discussed.

Objective – Based on comments received, the objective stated in the exposure draft was revised to be consistent with the objective as stated in ISA 520, *Analytical Procedures*. The ASB directed the Task Force either to add an application paragraph reflecting the language that was included in the exposure draft or to consider whether a reference to paragraphs A23-A25 would be sufficient.

Planning Analytics - The ASB agreed with the Task Force to revise paragraph 1 to clarify that guidance similar to the requirements and guidance on planning analytics in extant AU 329, *Analytical Procedures* are included in clarified SAS *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* and directed the Task Force to add “addresses the use of analytical procedures that may assist in assessing the risks of material misstatement in order to provide a basis for designing and implementing responses to assessed risks (commonly referred to as analytical procedures in planning the audit).”

Substantive Procedures as Audit Evidence – To clarify the requirement in paragraph 5c regarding the use of substantive procedures as audit evidence, which is incremental to the language in ISA 520, the ASB directed the Task Force to revise the requirement paragraph and add an application paragraph. Those proposed paragraphs would read as follows (new language shown in italics and underlined; deleted language in strikethrough):

(c) develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise (taking into account whether substantive analytical procedures are to be performed alone or in combination with tests of details) ~~by itself or, if the precision of the substantive analytical procedures is not sufficient, when combined with audit evidence from other audit procedures~~, to identify a misstatement that, individually or when aggregated with other misstatements, may cause the financial statements to be materially misstated; [Ref: Ax] and

Ax In evaluating whether the expectation to be used when performing substantive analytical procedures is sufficiently precise, it is appropriate for the auditor to take into account whether substantive analytical procedures is the only substantive procedure planned to address a particular risk of misstatement at the relevant assertion level, or whether the risk will be addressed through a combination of substantive analytical procedures and tests of details. The auditor may develop a less precise expectation when evidence obtained from performing the substantive analytical procedure will be combined

with audit evidence from performing tests of details. A more precise expectation may, however, be appropriate when the substantive analytical procedure is the only procedure planned to address a particular risk of misstatement for a relevant assertion.

Audit Documentation - Comments received stated that the documentation requirements should include requirements regarding documentation of analytical procedures that assist when forming an overall conclusion. In addition, one commenter stated that the documentation requirements should include a requirement that the auditor document the procedures the auditor performed to evaluate the reliability of the data from which the recorded amount or ratios is developed. The ASB agreed with the Task Force that the clarified SAS *Audit Documentation* includes such requirements and that adding documentation requirements that are incremental to the specific documentation requirements in extant AU 329 would be counter to the ASB's protocol regarding documentation requirements in individual SASs that are repetitive of those in the clarified SAS *Audit Documentation*. The ASB concluded that the requirements paragraph as drafted is appropriate but directed the Task Force to add either 1) an application paragraph that clarifies that analytical procedures that assist when forming an overall conclusion are in the scope of clarified SAS *Audit Documentation*; 2) a footnote reference in paragraph 6 or 8 to clarified SAS *Audit Documentation*; or 3) reference in paragraph A23, A24, or A25 to clarified SAS *Audit Documentation*.

Procedures That Assist When Forming an Overall Conclusion – The ASB agreed with the Task Force's addition of application material that retains certain of the language from paragraph .23 of extant AU 329, in order to provide sufficient guidance on analytical procedures performed at the end of the audit.

A revised draft will be brought to the ASB at its August meeting for balloting to vote for issuance as a final standard.

8. Auditors Reports

Mr. Montgomery, Chair of the Auditor's Report Task Force, led a discussion of comments received on exposure of, and revised drafts of, the following proposed SASs:

- *Forming an Opinion and Reporting on Financial Statements*
- *Modifications to the Opinion in the Independent Auditor's Report*
- *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*

With regard to the issues presented in June 2010—

Responses to Issues for Consideration

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Convergence with ISAs: The ASB supported the direction the task force took with the proposed SAS and directed the task force to continue with the current form of the report as proposed in the exposure draft, with minor revisions. The ASB directed the task force to:

- a. revise the wording in the first paragraph of the illustrative reports to closer reflect ISA 700 wording
- b. change the reference from retained earnings to statement of stockholders' equity
- c. Add "... and the related notes" to the first paragraph of the report

Ethical Requirements: The ASB directed the task force not to include the words "ethical requirements" to avoid unnecessary differences from the PCAOB form of report.

Forming an Opinion and Reporting on Financial Statements

The ASB generally agreed with the direction taken by the Task Force on the issues.

Comparatives: The ASB directed the Task Force

- to review the guidance from extant AU 508.69 to ensure it is all tied together appropriately
- force to review the guidance in paragraph A42c to ensure there is an understandable trail for the user to follow
- to consider whether comparative balance sheets presented with a single year income statement and cash flows would be permitted under this SAS.

Rule 203: The ASB directed the task force to delete paragraph 19 of the proposed SAS but to keep in the application material related to Rule 203.

Unaudited Prior Period Financial Statements: The ASB agreed with the content and placement of the guidance relating to prior period financial statements and directed the task force to move paragraph A45a to the introduction section of the SAS.

Modifications to the Opinion in the Independent Auditor's Report

Multiple Uncertainties: The ASB agreed with the direction taken by the Task Force and directed the task force to include, as application material to paragraph 10, guidance from paragraph 32 from ISA 705 basis for conclusions.

Basis for Modification: The ASB directed the task force to change the requirement in paragraph 21 so that the auditor should consider the need to describe in an EOM or OM paragraph other matters of which the auditor is aware that would have resulted in additional communications in the auditor's report.

Examples: The ASB did not feel the need to include additional examples in the SAS.

Other Illustrations: The ASB agreed that an illustration of other considerations relating to a disclaimer of opinion should be included in the Initial Engagements SAS. (See agenda item 3.)

Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report

The ASB directed the task force to move the guidance in paragraph A2 back into a requirement, consistent with ISA 706.

In addition, the ASB also directed the task force to—

Forming an Opinion and Reporting on Financial Statements

- Change “presented” to “present” in paragraph 10.
- Change “operating effectiveness” to “maintenance” in paragraph 25.
- Delete “had” from paragraph 46.
- Make paragraph A21a applicable to all types of entities, not just governmental.
- Delete the last sentence from paragraph A33 and consider adding wording regarding state requirements.
- Consider adding additional subheadings to paragraphs A40–A42c to better tie to the requirements.
- Delete the example in paragraph A46 and clarify how this paragraph differs from SAS No. 118.
- Consider adding as application material the concept of material misstatement whether due to error or fraud.

Modifications to the Opinion in the Independent Auditor’s Report

- Change “possible” to “reasonably practicable” in paragraph 12.
- Delete paragraph A14a.

Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Reports

- Consider revising paragraph A4 so that it is clear that if disclosures are not adequate then management would need to fix the disclosures or the auditor would need to modify the opinion appropriately.

Revised drafts will be brought to the ASB in August 2010 to be voted for balloting for issuance as final standards.

9. Specialists

Mr. Wedemeyer led a discussion of the proposed SAS *Using the Work of an Auditor’s Specialist* (Redrafted). The objective of the presentation was to discuss the issues arising from the comment letters received in connection with the exposure draft.

The following is a summary of the major issues discussed.

In-Firm Specialists—a commenter raised the issue in their comment letter that the inclusion of in-firm specialists in the proposed SAS will create an incremental documentation requirement for the auditor. Specifically, the commenter suggested adding additional application material with respect to the competence, capabilities, and objectivity of the auditor’s internal specialists. The Task Force believed that the proposed SAS contains adequate application guidance addressing the issue. Specifically, paragraph A16 states “the firm’s quality control procedures, among other things, are a source regarding the competence, capabilities, and objectivity”. The ASB agreed that the Task Force would consider whether additional guidance is necessary.

Definition of an Auditor's Specialist—the Task Force raised the issue that, in the absence of authoritative guidance on the core competencies of an auditor, a larger issue remains whether the application guidance can provide clear distinctions between all accounting/auditing expertise and other expertise, in particular, in gray areas such as IT and fair value. After discussion, the ASB agreed with the Task Force that additional application guidance is not necessary.

Obtaining an Understanding of the Specialists Work—the Task Force suggested adding a caveat that these procedures would only be expected in rare cases. The ASB disagreed with the addition of the caveat and deleted the phrase “in rare cases.”

Specialists Responsibilities—the Task Force's interpretation of paragraph 12 of extant AU 336 is that the auditor's procedures are to assess whether the auditor specialist's methods and assumption are *unreasonable*. In contrast, paragraph 12 of the proposed SAS establishes requirement of the auditor to evaluate whether the auditor's specialist's methods and assumptions are *reasonable*. The Task Force believes that paragraph 12 and its related guidance of the proposed SAS may elevate the auditor's responsibilities from extant AU 336. Some ASB members argued that this issue is a matter of semantics. Other ASB members argued that reasonableness encompasses the totality of paragraph 12 rather than solely looking at methods and assumptions. After discussion, the ASB directed the Task Force to further deliberate the issue.

A revised draft will be brought to the ASB at its August meeting.

10. Specific Items

Mr. Art Winstead and Ms. Megan Zietsman led a discussion of the proposed SAS *Audit Evidence—Specific Considerations for Selected*). The objective of the presentation was to discuss issues arising from the comment letters received in connection with the exposure draft.

The following is a summary of the major issues discussed.

Risk Based Approach—Paragraph 18 would require the auditor to seek direct communication with the attorney based on the assessment of risk of material misstatement. This is contrast to the extant AU337 which contains a presumptive requirement of the auditors to send out attorney letters in all audits. Given the U.S. litigious environment, some ASB members disagreed with the notion of using a risk based approach in deciding whether or not to send out attorney letters. Some ASB members argued that the risk cannot be determined without sending attorney letters. Other ASB members, as well as the vast majority responders to the ED, supported the risk based approach. In supporting the risk based approach, ASB members argued that creating a presumptive requirement to send out attorney letters in all audits would impose an onerous requirement for some auditors. The ASB directed the Task Force to revisit the issue.

Letter of Inquiry to In-House Counsel; Elements of the Letter of Inquiry; Segment Information of Governmental Entities — The ASB agreed with the Task Force's direction on these issues.

Resignation of Legal Counsel—the Task Force suggested adding a new requirement to address situations when legal counsel is no longer associated with the entity. After discussion, the ASB agreed with the inclusion of the new requirement; however, the ASB directed the Task Force to revisit the wording of the requirement.

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Disposition of Interpretations—the Task Force developed a proposal to dispose the interpretations of AU section 337. The ASB directed the task force to revisit the disposition of certain interpretations which the Task Force had suggested to retain as interpretations.

A revised draft will be brought to the ASB at its August meeting.

The meeting adjourned at noon on Thursday, June 24, 2010.