

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE

WEDNESDAY, SEPTEMBER 12, 2012, AT 3:00 P.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT, 2000 POST ROAD

WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chair of the Committee, Deborah M. Thomas, at 3:00 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Deborah M. Thomas; Kathleen C. Hittner, M.D., Michael F. Ryan.

COMMITTEE MEMBERS ABSENT: Joseph M. Cianciolo.

ALSO PRESENT: Peter A. Frazier, C.M., Interim President and CEO; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Ryan and seconded by Dr. Hittner to

approve the Minutes of the Finance and Audit Committee Meeting of June 20, 2012. The motion was passed unanimously.

2. Action Item:

(a) Consideration of and Action Upon Draft Fiscal Year 2012 Audited Financial Statements and Related Reports.

Mr. Schattle gave a brief overview of the Corporation's outside audit process and introduced Mr. Scott Bassett, from McGladrey, RIAC's outside audit firm, who proceeded to give a detailed overview of the testing procedures used during the audit and the audit results. Mr. Bassett noted that there were no audit adjustments made and that the auditors had issued a clean opinion and there would be no management letter. No significant issues were noted during the audit. Mr. Bassett commended the Corporation's finance staff, particularly Mr. Schattle and Ms. Williams, for their cooperation and work on completing the audit.

Mr. Schattle gave a detailed overview of the financial statements. There was specific discussion of the historical enplanement data and the impact to revenue streams. Mr. Schattle noted that the Corporation has been focusing on identifying new streams of revenue and he highlighted several new initiatives including concessions and use of RIAC parking facilities. Of particular note, Mr. Schattle highlighted that RIAC had managed to maintain its \$11.00 CPE as

anticipated. There was also discussion of how RIAC has been managing its operating expenses in line with its revenue streams. Mr. Schattle also reviewed RIAC's non operating revenues and expenditures, including the InterLink, and also gave an overview of the revenues and expenses for the general aviation airports.

Mr. Schattle gave an overview of the Federal Financial and Compliance Report and the Passenger Facility Charge Program Report, noting that both reports were issued with clean opinions.

A motion was made by Ms. Thomas and seconded by Mr. Ryan to approve the Draft Fiscal Year 2012 Audited Financial Statements, Federal Financial and Compliance Report, and Passenger Facility Charge Program Report, substantially in the form presented to the Committee, subject to Board approval. The motion was passed unanimously.

The motion was passed unanimously.

3. Future Meetings:

The next meeting will be announced.

4. Adjournment:

Mr. Ryan moved to adjourn at approximately 3:37 p.m. Dr. Hittner

seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

**Deborah M. Thomas, Chair
Finance and Audit Committee of
the Rhode Island Airport Corporation**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
FINANCE AND AUDIT COMMITTEE
SEPTEMBER 12, 2012**

Brian Schattle RIAC

Nicole Williams RIAC

Robert Goff New England Parking

Scott Bassett McGladry LLC