

**QUONSET DEVELOPMENT CORPORATION
MEETING OF THE AUDIT-FINANCE COMMITTEE**

SEPTEMBER 18, 2006

PUBLIC SESSION MINUTES

A meeting of the Audit Finance Committee of the Quonset Development Corporation (the "Corporation") was held at 3:30 p.m. on Monday, September 18, 2006, at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Audit Finance Committee and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: Robert Crowley, Barbara Jackson, and John G. Simpson. The following Quonset Development Corporation staff members were also in attendance: W. Geoffrey Grout, CEO, Steven J. King, COO, Mary C. Lake, CFO, and Kevin Barry, Controller. Also present was Rick Reed, Deputy Director, RIEDC, and Sharon Reynolds, Deputy House Fiscal Advisor.

1. CALL TO ORDER:

The meeting was called to order at 3:34 p.m. by Mr. Crowley.

2. FY2008 OPERATING BUDGET:

The FY2008 Operating Budget was discussed in detail with questions from the Committee members. Ms. Lake noted that the budget was very conservative based on what is known at this time. Ms. Lake also noted that the FY2008 budget is a year away and that speculation on what might happen in a year is not recommended for this budget.

Upon motion duly made by Ms. Jackson and seconded by Mr. Simpson, the Committee:

VOTED: To approve the Fiscal 2008 Operating Budget as presented to the Committee.

Voting in favor were: Mr. Crowley, Ms. Jackson and Mr. Simpson.

Voting Against were: None.

Unanimously Approved.

3. FY2006 AUDITED FINANCIAL STATEMENTS:

Ms. Deborah Mitchell from the accounting firm of Prescott, Chatellier, Fontaine & Wilkinson, LLP, entered the meeting at 4:05 pm.

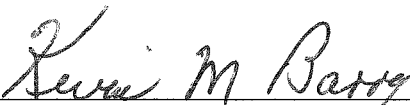
Ms. Mitchell walked the Committee through the audited year end financial statements for FY2006. Ms. Mitchell noted that there was three small presentation items that would be changed before the final draft was issued.

Upon motion duly made by Mr. Simpson and seconded by Ms. Jackson, the Committee:

VOTED: To approve the Fiscal 2006 Audited Financial Statements as corrected.

There being no further business to come before the Committee, upon motion duly made by Mr. Simpson and seconded by Ms. Jackson, the meeting was adjourned at 4:40 p.m.

Respectfully submitted:



Kevin M Barry, Controller