

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

SEPTEMBER 17, 2018

PUBLIC SESSION MINUTES

A meeting of the Audit-Finance Committee of the Quonset Development Corporation (the "Corporation") was held at 4:00 p.m. on Monday, September 17, 2018 at the offices of the Corporation located at 95 Cripe Street, 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: Guy Asadorian, Jr. and John Justo. Absent were: Susan Leach DeBlasio and Scot A. Jones. Also present were: Steven J. King, P.E., Managing Director; Kevin M. Barry, Finance Director; and Brian Crowley, O'Connor & Drew P.C.

1. CALL TO ORDER:

The meeting was called to order at 4:08 p.m. by Mr. Asadorian.

2. APPROVAL OF MINUTES:

The approval of minutes was tabled until the next meeting when a quorum is present.

Mr. Justo joined the meeting in progress.

3. REVIEW FOR RECOMMENDATION TO THE FULL BOARD OF DIRECTORS FOR ACCEPTANCE OF THE FY2018 FINANCIAL STATEMENTS:

Mr. Kevin M. Barry reviewed a draft of the FY2018 Audited Financial Statements with the Committee, noting that the Electric Boat ("EB") utility improvements and expansion and the reacquisition of the former Lowe's building were reoccurring themes in the financials. Mr. Barry explained that under the lease termination agreement, the Corporation acquired the former Lowe's building, valued at \$10 million) and received a payment of \$3.5 million dollars. The Corporation recognized the acquisition as a onetime operating revenue.

Mr. Barry also noted "Total Assets" increased significantly in fiscal year 2018, primarily due to accounts receivables at year end for the EB utility site work/expansion.