

**RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND
ECONOMIC DEVELOPMENT CORPORATION)**

YEARS ENDED JUNE 30, 2002 AND 2001

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

YEARS ENDED JUNE 30, 2002 AND 2001

CONTENTS

	Page
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-15
Financial statements:	
Statements of net assets	16-17
Statements of revenues, expenses and changes in net assets	18-19
Statements of cash flows	20-21
Notes to financial statements	22-44
Independent Auditors' Report on Accompanying Information	45
Accompanying information to financial statements:	
Schedule of professional fees	46-48
Schedule of travel and entertainment expenses	49-54
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	55-56

Independent Auditors' Report

Board of Directors
Rhode Island Airport Corporation
Warwick, Rhode Island

We have audited the accompanying statements of net assets of the Rhode Island Airport Corporation (RIAC), a component unit of the Rhode Island Economic Development Corporation (EDC), which is a component unit of the State of Rhode Island, as of June 30, 2002 and 2001, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of RIAC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RIAC as of June 30, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

As described in Note 1 to the basic financial statements, effective July 1, 2001, RIAC adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments." This results in a change in the format and content of the basic financial statements.

As described in Notes 2 and 13 to the financial statements, RIAC changed its method of accounting for grant revenues and its method of accounting for noise mitigation expenses in 2001.

The Management's Discussion and Analysis on pages 3 through 15 is not a required part of the financial statements but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Independent Auditors' Report (Continued)

Board of Directors
Rhode Island Airport Corporation

In accordance with Government Auditing Standards, we have also issued our report dated September 9, 2002 on our consideration of RIAC's internal control over financial reporting and on its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

September 9, 2002

Management's Discussion & Analysis pgs 3-15 – See Separate Document

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

STATEMENTS OF NET ASSETS - JUNE 30, 2002 AND 2001

	2002	2001
		Restated (Note 2)
ASSETS:		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 15,239,706	\$ 18,584,403
Cash and cash equivalents, board-specified	12,557,513	7,090,606
Accounts receivable, net	13,175,507	13,326,909
Deposits and prepaid items	343,652	421,293
Total unrestricted assets	41,316,378	39,423,211
Restricted assets, receivables, net (Note 5)	1,628,803	2,083,147
Total current assets	42,945,181	41,506,358
Noncurrent assets:		
Restricted cash and cash equivalents	37,860,621	33,994,397
Restricted investments (Note 4)	38,411,439	48,442,614
Total restricted assets	76,272,060	82,437,011
Capital assets, net of accumulated depreciation and amortization	255,265,419	250,416,465
Bond issuance costs, net of accumulated amortization (2002, \$2,408,665; 2001, \$2,047,576)	3,913,112	4,200,548
Total noncurrent assets	335,450,591	337,054,024
Total assets	378,395,772	378,560,382

(continued)

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

STATEMENTS OF NET ASSETS - JUNE 30, 2002 AND 2001 (CONTINUED)

	2002	2001
		Restated (Note 2)
LIABILITIES:		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable, trade	\$ 651,485	\$ 1,357,862
Accrued payroll and employee benefits	957,195	855,694
Accrued expenses	2,726,215	2,783,339
Current portion of long-term debt	3,836,123	3,387,425
Total payable from unrestricted assets	8,171,018	8,384,320
Payable from restricted assets:		
Accounts and retainage payable	3,096,347	2,116,436
Accrued expenses	1,105,317	927,519
Accrued interest payable	5,782,274	5,865,599
Current portion of long-term debt	3,795,000	3,630,000
Total payable from restricted assets	13,778,938	12,539,554
Total current liabilities	21,949,956	20,923,874
Long-term debt, less current portion	228,071,013	232,956,299
Total liabilities	250,020,969	253,880,173
Commitments and contingencies (Note 16)		
NET ASSETS (DEFICIENCY):		
Invested in capital assets, net of related debt	58,509,034	59,756,680
Restricted	64,121,925	71,980,599
Unrestricted	5,743,844	(7,057,070)
Total net assets	\$128,374,803	\$124,680,209

See notes to financial statements.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS

YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001 Restated (Note 2)
Operating revenues:		
Charges for services:		
Rentals and fees	\$ 17,508,743	\$ 17,864,764
Landing fees	8,016,679	7,120,509
Parking	14,012,576	13,592,322
Total operating revenues	39,537,998	38,577,595
Operating expenses:		
Employee wages and benefits	11,248,059	9,221,220
Supplies, materials and services	3,670,332	4,843,777
Operating expenses	5,996,573	4,322,024
Depreciation and amortization	14,096,506	13,607,442
Total operating expenses	35,011,470	31,994,463
Operating income	4,526,528	6,583,132
Nonoperating revenues (expenses):		
Investment income	1,460,218	2,551,156
Interest expense	(11,310,251)	(10,616,187)
Passenger facility charges	7,419,458	8,034,326
Customer facility charges	4,959,790	
Grant revenue	4,173,927	3,254,989
Grant expenses:		
Noise Mitigation (Note 13)	(5,748,150)	(26,093,596)
Property acquisition	(6,335,606)	(1,460,278)
Airport Support Fund revenue	711,064	638,437
Airport Support Fund expenses	(462,131)	(150,469)
Other, including insurance proceeds	400,318	346,423
Total nonoperating revenues (expenses), net	(4,731,363)	(23,495,199)
Loss before capital contributions	(204,835)	(16,912,067)
Capital contributions	4,092,448	6,916,925
Income (loss) from continuing operations	3,887,613	(9,995,142)

(continued)

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
		Restated (Note 2)
Discontinued operations:		
Loss from operations of the Airport Support Fund Steam Plant to be shut down		\$ (893,514)
Loss on shut-down of Airport Support Fund Steam Plant, including provision for operating losses during the phase-out period of \$914,960 for 2001	\$ (193,019)	(1,257,397)
Loss from discontinued operations	(193,019)	(2,150,911)
Change in net assets	3,694,594	(12,146,053)
Net assets, beginning of year	124,680,209	136,826,262
Net assets, end of year	\$128,374,803	\$124,680,209

See notes to financial statements.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
		Restated (Note 2)
Cash flows from operating activities:		
Receipts from rentals and other revenues	\$ 38,913,068	\$ 37,978,646
Payments to suppliers	(10,393,509)	(8,190,627)
Payments to employees	(11,146,558)	(9,141,727)
	17,373,001	20,646,292
Cash flows from capital and related financing activities:		
Interest paid, long-term obligations	(13,259,628)	(12,406,541)
Acquisition and construction of capital assets	(15,957,612)	(18,658,404)
Payments on long-term debt	(6,368,707)	(6,595,909)
Receipt of grant funds	9,031,748	13,473,008
Grant expenses	(11,300,458)	(5,612,789)
Collection of passenger facility charges	7,983,758	7,747,526
Collection of customer facility charges	4,465,531	
Other	382,579	(1,348,565)
	(25,022,789)	(23,401,674)
Cash flows from investing activities:		
Purchases of investments	(38,411,439)	(48,442,614)
Proceeds from sale and maturity of investments	48,442,614	47,085,070
Interest on investments	3,607,047	5,193,391
	13,638,222	3,835,847
Net increase in cash and cash equivalents	5,988,434	1,080,465
Cash and cash equivalents, beginning of year	59,669,406	58,588,941
Cash and cash equivalents, end of year	\$ 65,657,840	\$ 59,669,406

(continued)

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
		Restated (Note 2)
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,526,528	\$ 6,583,132
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	14,096,506	13,566,346
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(624,930)	(569,910)
Deposits and prepaid items	77,641	(189,396)
Increase (decrease) in:		
Accounts payable	(706,377)	287,637
Accrued expenses	3,633	968,483
	\$ 17,373,001	\$ 20,646,292
Net cash provided by operating activities		

Supplemental disclosures:

During 2002 and 2001, the following noncash capital and related financing activities occurred:

Equipment costing \$1,977,282 and \$1,448,823 was acquired through lease-purchase agreements in 2002 and 2001, respectively.

See notes to financial statements.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2002 AND 2001

1. Organization and reporting entity:

Organization:

The Rhode Island Airport Corporation (RIAC) is a public corporation organized in December 1992 for the purpose of assuming operating responsibility for the six airports in the State of Rhode Island (State). RIAC is a component unit of the Rhode Island Economic Development Corporation (EDC), which is a component unit of the State. The airports are owned by the State and prior to July 1, 1993 were managed by the Department of Transportation, Division of Airports (RIDOT). RIAC and the State entered into a Lease and Operating Agreement (Lease Agreement) which transferred operating responsibility for the airports to RIAC effective July 1, 1993, which agreement was amended in June 1998 to extend the term to 2028. RIAC does not have the power to issue bonds, notes or borrow money without the approval of the EDC, nor does it have the power of eminent domain with respect to real property.

RIAC is governed by a board of directors which consists of seven members; one member is appointed by the Mayor of the City of Warwick and the remaining six members are appointed by the Governor of the State. Each director appointed by the Governor is appointed for a four-year term. The director appointed by the Mayor of the City of Warwick serves at the pleasure of the Mayor. All directors serve without compensation but are entitled to reimbursement for necessary expenses incurred in the performance of their duties relating to RIAC.

RIAC is not subject to federal, state or local income taxes.

Reporting entity:

RIAC has included property rental operations at the Quonset Airport known as the "Airport Support Fund" in the accompanying financial statements. In addition, the Airport Support Fund operated a steam plant at the Quonset Airport through April 2002 (see Note 14).

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, RIAC applies the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units."

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

2. Summary of significant accounting policies:

Change in basis of financial statement presentation:

Effective July 1, 2001, RIAC adopted the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," which requires RIAC to change the basis of its financial statement presentation. Also, GASB Statement No. 34 requires the presentation of a Management's Discussion and Analysis as requires supplementary information to the basic financial statements. The financial statements as of and for the year ended June 30, 2001 have been restated and reclassified to conform with the current year presentation.

Concurrent with the adoption of GASB Statement No. 34, RIAC adopted the provisions of GASB Statement Nos. 37 and 38. The adoption of GASB Statement Nos. 37 and 38 did not have a material effect on RIAC's financial statements.

Financial statement presentation, measurement focus and basis of accounting:

RIAC engages only in business-type activities. Business-type activities are activities that are financed in whole or in part by fees charged to external users.

RIAC uses the economic resources measurement focus and accrual basis of accounting. RIAC applies all pronouncements of the GASB, as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," RIAC has elected not to apply any FASB pronouncements and interpretations issued after November 30, 1989.

RIAC distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with RIAC's principal ongoing operations. Operating expenses include the cost of and losses resulting from services provided, administrative expenses, and depreciation expense. All other revenues and expenses are reported as nonoperating revenues and expenses.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

2. Summary of significant accounting policies (continued):

Cash and cash equivalents:

RIAC considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments:

Investments include U.S. Treasury bills, U.S. Treasury notes and a guaranteed investment contract.

In accordance with GASB Statement No. 31, investments in U.S. Treasury bills and U.S. Treasury notes are reported at fair value. Investments in nonparticipating interest earning investment contracts such as nonnegotiable guaranteed investment contracts with redemption terms that do not consider market rates and nonnegotiable debentures are reported at cost, provided that the fair value of such contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors. Fair value is established by quoted market prices.

All investment income, including changes in the fair value of investments, is reported as revenues in the statements of revenues, expenses and changes in net assets.

Grants and capital contributions:

Certain expenditures for airport capital improvements are funded through the Airport Improvement Program of the Federal Aviation Administration (FAA). The funding provided under these government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and eligible long-term planning studies are reported in the statements of revenues, expenses and changes in net assets after nonoperating revenues and expenses as capital contributions.

Effective July 1, 2000, RIAC adopted the provisions of GASB Statement No. 33 (GASB No. 33), "Accounting and Financial Reporting for Nonexchange Transactions." As a result, grant receipts are recorded as nonoperating revenue or capital contributions as approved expenditures are incurred. In fiscal years prior to 2001, RIAC recognized an FAA receivable and contributed capital for the portion of construction costs incurred that related to FAA-approved airport improvement program projects. Depreciation on capital assets acquired with contributed capital was charged to the contributed capital using the straight-line method over the estimated useful lives of the assets. The reported change in net assets for 2001 increased by \$10,171,914 as a result of adopting GASB No. 33.

Revenues from grants are recognized as nonoperating revenue as soon as all eligibility requirements imposed by the provider have been met.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

2. Summary of significant accounting policies (continued):

Receivables:

Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on history, aviation industry trends and current information regarding the credit worthiness of the debtors. RIAC does not require collateral or other forms of security from its customers.

Restricted assets:

Restricted assets consist of monies and other resources which are restricted legally under agreements with creditors or grantors. These restrictions are described below:

Restricted for capital expenditures:

These assets are restricted under RIAC's capital grant and other agreements for certain capital projects and cannot be expended for any other purpose.

Restricted for deposits:

These assets are restricted from operations because they represent deposits that are held to ensure performance by the tenants.

Restricted for reserves:

These assets are restricted by the master indenture of trust. The operating and maintenance reserve reports resources set aside to subsidize potential deficiencies from RIAC's operation that could adversely affect debt service payments. The repair and rehabilitation reserve reports resources set aside to meet unexpected contingencies or to fund asset repairs and rehabilitation.

Capital assets and depreciation:

Capital assets are stated at cost except for capital assets conveyed to RIAC by the State or the United States of America, which are stated at fair value as of the date of contribution. Assets leased from the State by RIAC are recorded at the present value of the future minimum lease payments plus the value of funding received from the federal government. Expenditures that substantially increase the useful lives of existing assets are capitalized and routine maintenance and repairs and costs associated with the Noise Mitigation Program are expensed as incurred. Depreciation of the buildings, improvements, furniture and equipment is calculated on the straight-line method over the estimated useful lives (3-27 years) of these assets. Land is held for resale, leased to others, and used in operations.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

2. Summary of significant accounting policies (continued):

Capital assets and depreciation (continued):

Interest is capitalized on construction in progress until such time as the asset is placed in service. For the year ended June 30, 2002, RIAC capitalized \$103,520 of interest expense, net of interest income of \$1,762,532.

Deferred charges:

Deferred charges consist of bond issuance costs, which are being amortized over the life of the related bonds using the straight-line method.

Compensated absences:

RIAC accrues vacation and sick pay benefits as earned by its employees in accordance with established personnel policies using the salary rates in effect at the balance sheet date. Sick pay benefits are accrued in accordance with the vesting method in accordance with GASB Statement No. 16.

Pension plans:

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

Revenue:

Passenger facility charges:

In November 1993, RIAC received approval from the FAA to impose a \$3.00 Passenger Facility Charge (PFC) per qualifying enplaned passenger commencing February 1, 1994. The net receipts from the PFCs are restricted for use on pre-approved FAA projects, including related debt service. The FAA has approved PFC funding for twenty-two projects that comprise a significant portion of RIAC's capital improvement program, including funding for the terminal leasehold acquisitions (see Note 7). RIAC has been authorized to collect PFCs in the aggregate amount of \$149,978,994. The FAA has estimated the collection period to be approximately 20 years. Collections, including interest thereon, during 2002 and 2001 were \$8,254,517 and \$8,272,591, respectively, and aggregate collections, including interest thereon, through June 30, 2002 were \$48,812,519.

Passenger facility charges are recorded as nonoperating revenue as earned, based upon enplaned passengers.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

2. Summary of significant accounting policies (continued):

Customer facility charges:

Effective July 1, 2001, rental car agencies operating under lease agreements with RIAC were required to impose a customer facility charge (CFC) of \$3.75 per transaction per day on substantially all car rentals. The net receipts from CFCs are restricted for the future construction of a quick turn-around facility for the rental car agencies. CFC revenue is recorded as nonoperating revenue as earned, based upon daily car rentals reported by the signature agencies.

Landing fees:

Landing fees are generated principally from scheduled airlines, cargo carriers and non-scheduled commercial aviation based on landed weight of the aircraft and/or signed contracts. Landing fees are recognized as revenue as the related facilities are used.

Rentals and fees:

Rental and concession fees are generated from airlines, food and beverage outlets, retail, rental cars, advertising and commercial tenants. Leases maintained by RIAC are accounted for as operating leases. In accordance with the provisions of Statement of Financial Accounting Standards (FAS) No. 13, "Accounting for Leases," and certain of its interpretations, RIAC recognizes rental income on the straight-line basis over the terms of the leases.

Concession fees are recognized based on reported concessionaire revenue. Where agreements permit audits of concessionaire revenue, any fees resulting from such audits are recognized when such amounts become known.

Parking:

Parking revenues are generated principally from on-site facilities managed by a third-party. Revenues are based upon utilization of the facilities, subject to certain minimum amounts under certain contracts. Parking revenues are recognized as income based upon reported revenue by the management company. Additional parking revenue resulting from audit of the management company records is recognized when such amounts are known.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

2. Summary of significant accounting policies (continued):

Net assets:

RIAC's net assets have been segregated into the following three components in accordance with GASB Statement No. 34:

Invested in capital assets, net of related debt - represents the net book value of all capital assets less the outstanding balances of bonds and other debt used to acquire, construct or improve these assets.

Restricted - those that have been limited to uses specified either externally by creditors, contributors, laws or regulations of other governments or internally by enabling legislation or law.

Unrestricted - a residual category for the balance of net assets.

3. Cash and cash equivalents:

RIAC is permitted to invest funds in certificates of deposit, savings accounts, money market accounts and obligations of the United States Government or certain agencies thereof. RIAC may also enter into repurchase agreements with any eligible depository for a period not exceeding 30 days. Repurchase agreements are classified as cash equivalents in the accompanying financial statements.

Deposits with financial institutions:

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State shall, at a minimum, insure or pledge eligible collateral equal to 100 percent of time deposits with maturities greater than 60 days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to 100 percent of deposits, regardless of maturity.

RIAC assumes levels of custodial credit risk for its cash and cash equivalents, which are categorized to indicate the level of risk assumed by RIAC. Category 1 includes deposits that are fully insured or collateralized with securities held by RIAC or its agent in RIAC's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in RIAC's name (RIAC did not have any deposits classified in Category 2 at June 30, 2002 or 2001). Category 3 includes those deposits that are not collateralized.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

3. Cash and cash equivalents (continued):

At June 30, 2002 and 2001, RIAC's cash and cash equivalents consist of and are categorized as follows:

	June 30, 2002			
	Category		Total bank balance	Carrying amount
	1	3		
Demand deposits	\$ 200,000	\$ 25,105,967	\$ 25,305,967	\$ 24,589,198
Money market funds		13,323,346	13,323,346	13,323,346
Repurchase agreements		27,745,296	27,745,296	27,745,296
Total	\$ 200,000	\$ 66,174,609	\$ 66,374,609	\$ 65,657,840

	June 30, 2001			
	Category		Total bank balance	Carrying amount
	1	3		
Demand deposits	\$ 200,000	\$ 656,074	\$ 856,074	\$ (1,104,734)
Money market funds		12,897,140	12,897,140	12,897,140
Repurchase agreements		46,741,000	46,741,000	46,741,000
Treasury bills		1,136,000	1,136,000	1,136,000
Total	\$ 200,000	\$ 61,430,214	\$ 61,630,214	\$ 59,669,406

4. Investments:

Investments are categorized in accordance with the level of risk assumed. Category 1 includes investments that are insured or registered or for which the securities are held by RIAC or its agent in RIAC's name. Category 2 includes investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in RIAC's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty or by its trust department or agent but not in RIAC's name.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

4. Investments (continued):

At June 30, 2002 and 2001, RIAC's investments consist of and are categorized as follows:

	2002		
	Category 3	Not categorized	Reported amount
U.S. Treasury notes	\$ 5,110,443		\$ 5,110,443
Restricted investments, guaranteed investment contract - American International Group Matched Funding Corp.		\$ 33,300,996	33,300,996
Total investments	\$ 5,110,443	\$ 33,300,996	\$ 38,411,439
	2001		
	Category 3	Not categorized	Reported amount
U.S. Treasury bills	\$ 180,985		\$ 180,985
U.S. Treasury notes	5,982,489		5,982,489
Restricted investments, guaranteed investment contract - American International Group Matched Funding Corp.		\$ 42,279,140	42,279,140
Total investments	\$ 6,163,474	\$ 42,279,140	\$ 48,442,614

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(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

4. Investments (continued):

The American International Group Matched Funding Corp. (AIG) investment agreement represents an investment of funds with a single corporate counterparty utilized for the investment of the debt service fund requirements of the 2000 Series A and Series B revenue bonds. The agreement consists of two investment funds carrying fixed annual interest rates of 4.907% and 5.201%, payable semiannually commencing June 15, 2001, and maturing April 15, 2004. The investment was neither insured nor collateralized at June 30, 2002 and 2001; however, if the investment ratings assigned by two national bond rating agencies to AIG's long-term unsecured, unsubordinated debt obligations are downgraded to a level below AA or Aa3, respectively, the investment agreement would be terminated or AIG would be required to deliver collateral comprised exclusively of U.S. Government securities and U.S. Government agency securities equal to 105% or 104% of principal and accrued interest. The agreement has no quoted market value and cannot be sold or assigned to another party without prior written consent of AIG.

RIAC may draw amounts under the investment agreement as needed without penalty provided the intended use of amounts drawn is in accordance with the trust agreement governing use of the proceeds of RIAC's 2000 Series A and Series B revenue bonds. RIAC may not draw amounts under the agreement for the purpose of reinvesting funds with another entity.

5. Accounts and other receivables:

At June 30, 2002 and 2001, accounts and other receivables, including the allowance for uncollectibles, is as follows:

	2002	2001
Unrestricted:		
Accounts receivable, trade	\$ 5,098,920	\$ 4,051,861
Due from federal government	8,407,895	8,963,085
Due from State of Rhode Island	153,986	364,163
Less allowance for uncollectible amounts	(485,294)	(52,200)
Total unrestricted receivables	\$ 13,175,507	\$ 13,326,909
Restricted for capital expenditures:		
Due from airlines, Passenger Facility Charges	\$ 1,010,000	\$ 1,574,306
Due from rental car agencies, Customer Facility Charges	585,259	
Interest	124,544	508,841
Less allowance for uncollectible amounts	(91,000)	
Total restricted receivables	\$ 1,628,803	\$ 2,083,147

The amounts due from the federal government are based on expenditures incurred by RIAC under terms of grant agreements or legislation.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

6. Capital assets:

	2002			Ending balance
	Beginning balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 4,209,812	\$ 2,698,200		\$ 6,908,012
Construction in progress	26,700,513	13,716,306	\$ (26,190,873)	14,225,946
Total capital assets not being depreciated	<u>30,910,325</u>	<u>16,414,506</u>	<u>(26,190,873)</u>	<u>21,133,958</u>
Capital assets being depreciated:				
Assets leased from the State	30,608,849			30,608,849
Leasehold improvements	235,536,051	24,601,776	(2,900)	260,134,927
Machinery and equipment	10,488,524	3,555,240	(570,428)	13,473,336
Vehicles	1,269,422	93,164	(33,541)	1,329,045
Total capital assets being depreciated	<u>277,902,846</u>	<u>28,250,180</u>	<u>(606,869)</u>	<u>305,546,157</u>
Less accumulated depreciation for:				
Assets leased from the State	(13,375,193)	(2,145,971)		(15,521,164)
Leasehold improvements	(40,948,006)	(9,531,921)		(50,479,927)
Machinery and equipment	(3,693,491)	(1,786,888)	567,098	(4,913,281)
Vehicles	(380,016)	(150,800)	30,492	(500,324)
Total accumulated depreciation	<u>(58,396,706)</u>	<u>(13,615,580)</u>	<u>597,590</u>	<u>(71,414,696)</u>
Total capital assets being depreciated, net	<u>219,506,140</u>	<u>14,634,600</u>	<u>(9,279)</u>	<u>234,131,461</u>
Total capital assets, net	<u>\$ 250,416,465</u>	<u>\$ 31,049,106</u>	<u>\$ (26,200,152)</u>	<u>\$ 255,265,419</u>

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

6. Capital assets (continued):

	2001			Ending balance
	Beginning balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 3,940,812	\$ 269,000		\$ 4,209,812
Construction in progress	19,036,934	16,885,945	\$ (9,222,366)	26,700,513
Total capital assets not being depreciated	22,977,746	17,154,945	(9,222,366)	30,910,325
Capital assets being depreciated:				
Assets leased from the State	30,608,849			30,608,849
Leasehold improvements	227,485,806	8,050,245		235,536,051
Machinery and equipment	8,445,772	3,073,402	(1,030,650)	10,488,524
Vehicles	803,058	496,189	(29,825)	1,269,422
Total capital assets being depreciated	267,343,485	11,619,836	(1,060,475)	277,902,846
Less accumulated depreciation for:				
Assets leased from the State	(11,155,919)	(2,219,274)		(13,375,193)
Leasehold improvements	(30,872,568)	(10,075,438)		(40,948,006)
Machinery and equipment	(3,294,565)	(630,951)	232,025	(3,693,491)
Vehicles	(290,569)	(119,272)	29,825	(380,016)
Total accumulated depreciation	(45,613,621)	(13,044,935)	261,850	(58,396,706)
Total capital assets being depreciated, net	221,729,864	(1,425,099)	(798,625)	219,506,140
Total capital assets, net	\$ 244,707,610	\$ 15,729,846	\$ (10,020,991)	\$ 250,416,465

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

6. Capital assets (continued):

Accumulated depreciation on assets under capital lease amounts to \$15,293,277 and \$12,569,794 at June 30, 2002 and 2001, respectively.

As of June 30, 2002, RIAC was obligated for completion of certain airport improvements under commitments of approximately \$10,437,740, which are expected to be funded from current available resources and future operations.

7. Long-term debt:

	2002	2001
Revenue Bonds payable (1):		
1993 Series A bonds, interest at 4.2% to 5.25%	\$ 70,200,000	\$ 72,305,000
1994 Series A bonds, interest at 5.25% to 7%	28,045,000	28,570,000
1998 Series A and B bonds, interest at 4.2% to 5.25%	60,175,000	61,175,000
2000 Series A and B bonds, interest at 5.51% to 6.5%	50,545,000	50,545,000
Total principal outstanding	208,965,000	212,595,000
Less unamortized bond discount	2,235,972	2,355,809
Revenue Bonds payable, net of unamortized discount	206,729,028	210,239,191
State of Rhode Island payable (2)	22,961,530	24,802,463
Airline buyout agreement (3)	1,104,000	1,104,000
Obligations under capital leases (4)	4,606,578	3,397,070
Note payable (5)	301,000	431,000
	235,702,136	239,973,724
Less current portion	7,631,123	7,017,425
	\$ 228,071,013	\$ 232,956,299

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

7. Long-term debt (continued):

- (1) Issued by EDC on behalf of RIAC. The proceeds from these bonds are being used to finance construction and related costs of certain capital improvements at T.F. Green Airport. These bonds are secured by the net revenues derived from the operation of the airport.
- (2) The Lease Agreement with the State requires RIAC to make annual payments to the State in an amount equal to the principal and interest payments due bondholders under certain airport-related General Obligation Bonds issued on behalf of RIAC. Although the original airport-related General Obligation Bonds were defeased in June 2002, the terms of the Lease Agreement require RIAC to continue to remit lease payments to the State based upon the amortization schedule of original airport-related General Obligation Bonds (see Note 9).
- (3) In order to allow the demolition of the old terminal and construction of a new, larger terminal, six lease agreements with air carriers were terminated. In consideration for the airlines' agreement to terminate their leases related to the old terminal, RIAC agreed to pay those airlines for their leasehold interests under those leases. Payments for these leasehold interests are being made over a five year period beginning on the last day of the first fiscal year (third year for American Airlines) following the fiscal year in which occupancy occurred. Payments are subordinate to all operation and maintenance expenses for the airport, debt service and other reserve requirements.
- (4) RIAC has financed the acquisition of certain equipment through lease-purchase agreements. The agreements provide for monthly lease payments which range from \$700 to \$277,000. The interest rates associated with these agreements range from 4.5% to 14%.
- (5) RIAC has financed the acquisition of a parcel of land with seller-provided financing. The note provides for interest at 6.75% and annual payments of \$130,000, with a final payment of \$41,000 due July 1, 2005. The note is secured by a mortgage on the parcel of land.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

7. Long-term debt (continued):

Aggregate scheduled principal and interest payments due on RIAC's long-term debt through maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 7,631,123	\$ 12,930,758
2004	7,059,589	12,562,067
2005	7,038,450	12,183,722
2006	7,940,968	11,783,657
2007	8,128,701	11,345,459
2008-2012	41,959,277	49,527,147
2013-2017	44,120,000	37,012,537
2018-2022	51,840,000	23,416,303
2023-2027	47,090,000	8,477,025
2028-2029	15,130,000	426,650
	<u>237,938,108</u>	<u>\$ 179,665,325</u>
Less:		
Unamortized bond discount	2,235,972	
Current portion	<u>7,631,123</u>	
Long-term debt	<u>\$ 228,071,013</u>	

Changes in long-term debt, net of unamortized bond discount, for the years ended June 30, 2002 and 2001 are as follows:

	<u>2002</u>				Amounts due within one year
	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	
Revenue bonds	\$ 210,239,191		\$ (3,510,163)	\$ 206,729,028	\$ 3,795,000
State of Rhode Island payable	24,802,463		(1,840,933)	22,961,530	1,990,123
Airline buyout agreement	1,104,000			1,104,000	972,000
Note payable	431,000		(130,000)	301,000	
Obligations under capital leases	<u>3,397,070</u>	<u>\$1,977,282</u>	<u>(767,774)</u>	<u>4,606,578</u>	<u>874,000</u>
Total long-term debt	<u>\$ 239,973,724</u>	<u>\$1,977,282</u>	<u>\$ (6,248,870)</u>	<u>\$ 235,702,136</u>	<u>\$ 7,631,123</u>

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

7. Long-term debt (continued):

	2001				Amounts due within one year
	Beginning balance	Additions	Reductions	Ending balance	
Revenue bonds	\$ 212,629,488		\$ (2,390,297)	\$ 210,239,191	\$ 3,630,000
State of Rhode Island payable	26,548,441		(1,745,978)	24,802,463	1,840,933
Airline buyout agreement	2,784,000		(1,680,000)	1,104,000	840,000
Note payable	561,000		(130,000)	431,000	
Obligations under capital leases	2,473,178	\$1,465,190	(541,298)	3,397,070	706,492
Total long-term debt	\$ 244,996,107	\$1,465,190	\$ (6,487,573)	\$ 239,973,724	\$ 7,017,425

RIAC maintains an unsecured revolving line of credit in the maximum amount of \$750,000 expiring March 31, 2003. Amounts outstanding under this line of credit are due on demand and bear interest at the bank's prime rate (4.75% at June 30, 2002). RIAC did not utilize the line of credit during 2002 and has no amounts outstanding at June 30, 2002.

8. Leases:

Minimum future contractual rental payments to be received from noncancellable leases as of June 30, 2002 are as follows:

Year ending June 30,	Amount
2003	\$ 3,730,778
2004	3,724,111
2005	3,693,111
2006	2,766,695
2007	2,314,583
2008	916,667
	\$ 17,145,945

In the event of tenant default, RIAC has the right to reclaim its leased property together with any improvements thereon.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

9. Related party transactions:

The Lease Agreement between RIAC and the State is for a 30-year term (see Note 1) whereby the State has agreed to lease various assets to RIAC for \$1.00 per year. In addition, the Lease Agreement requires RIAC to make annual payments to the State in amounts equal to the principal and interest payments due bondholders for certain airport-related General Obligation Bonds issued by the State on behalf of RIAC (see Note 7).

In the event RIAC does not have sufficient funds to make the required lease payments when due, the amount is payable in the next succeeding fiscal year and remains an obligation of RIAC until paid in full.

The State has no right to terminate the Lease Agreement so long as there are bonds and subordinate indebtedness outstanding.

10. Pension plans:

Employees' Retirement System of the State of Rhode Island:

All employees who transferred from the State's payroll to RIAC's employment on July 1, 1993 participate in the Employees' Retirement System of the State of Rhode Island (the Plan). The Plan is a cost-sharing, multiple-employer, public employee retirement system administered by the State. The number of RIAC employees covered by the Plan throughout the year averaged 40. RIAC's total payroll was \$7,973,737, of which \$1,971,256 was covered under the Plan.

The Plan issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. A copy of the report can be obtained from the Employees' Retirement System, 40 Fountain Street, Providence, Rhode Island 02903.

Pension benefits vest after 10 years of service. Participants are eligible to retire after 10 years of service if they have attained age 60, or after 28 years of service regardless of age and are entitled to retirement benefits payable monthly for life.

The retirement benefit is a percentage of final average salary per year of credited service with a maximum benefit of 80% of final average salary. The percentage for each year of credited service is as follows:

<u>Years of credited service</u>	<u>Percent/year</u>
1-10	1.7%
11-20	1.9%
21-34	3.0%
35	2.0%

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

10. Pension plans (continued):

Employees' Retirement System of the State of Rhode Island (continued):

Final average salary is computed using the three highest consecutive years of earned salary excluding overtime, bonuses or severance pay. Retirees' benefits are subject to a 3% compounded annual cost of living increase commencing on the January 1st following the third anniversary of an employee's retirement.

Funding policy:

Rhode Island general laws set the contribution rates for participating State employees at 8.75% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. RIAC was required to contribute for all full-time employees 5.59% and 7.99% for fiscal 2002 and 2001, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1989 over 27 years; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability. Both employers and employees contribute 1% of the first \$9,600 of salary for survivor benefits. In addition, RIAC is required to contribute approximately .86% for postretirement health benefits.

The amounts contributed to the Plan are as follows:

Year ending June 30,	Employee	RIAC required contributions
2002	\$ 172,503	\$ 126,991
2001	165,131	167,290
2000	167,564	174,560

In accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers," RIAC has determined that there is and has been no pension liability or assets related to the Plan.

Money purchase pension plan:

Employees hired by RIAC on or after July 1, 1993 are eligible to participate in the Money Purchase Pension Plan and Trust, a defined contribution plan. The number of RIAC employees covered by this Plan throughout the year averaged 118. RIAC's total payroll was \$7,973,737, of which \$5,265,800 was covered under the Plan.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

10. Pension plans (continued):

Money purchase pension plan (continued):

In order to participate in the Plan, covered employees must contribute 6% of their base pay to the Plan. Participants are 100% vested in the amounts they contribute. Withdrawals of these contributed amounts are not permitted prior to termination of employment. RIAC matches 100% of participants' required contributions under a five-year vesting schedule. Total contributions for the year ended June 30, 2002 were \$284,239 by the employer and \$315,948 by the employees. RIAC applied \$12,299 of plan forfeited contributions toward the current year match.

11. Deferred compensation plan:

RIAC has established a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all RIAC employees, permits them to defer a portion of salaries until termination, retirement or death. In some cases, deferred salary amounts may be made available to employees who successfully demonstrate unforeseeable emergencies after authorization by a committee established under the plan. The annual limitation of salary deferrable under the plan for the calendar year 2002 is \$11,000 per employee. Participating employees may direct the investment of their deferred compensation among the seven institutions currently authorized under the plan.

All compensation deferred under the plan, any investments purchased with this compensation and income and gains attributable to those investments are held in a separate trust and are therefore not reported on the accompanying financial statements.

12. Net assets:

At June 30, 2002 and 2001, restricted net assets consist of the following:

	2002	2001
Restricted for:		
Capital acquisition and construction	\$ 42,192,769	\$ 52,799,266
Passenger Facility Charges	12,721,098	14,834,015
Customer Facility Charges	3,183,896	
Operating and maintenance reserve	5,475,282	3,809,521
Repair and rehabilitation reserve	548,880	537,797
Total restricted net assets	\$ 64,121,925	\$ 71,980,599

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

12. Net assets (continued):

At June 30, 2002 and 2001, unrestricted net assets (deficit) consist of the following:

	2002	2001
Designated unrestricted net assets for capital acquisition and construction	\$ 12,557,513	\$ 7,090,606
Undesignated unrestricted net deficit	(6,813,669)	(14,147,676)
Total unrestricted net assets (deficiency)	\$ 5,743,844	\$ (7,057,070)

Under the master indenture of trust adopted in 1993, RIAC agreed to create and maintain two reserves. The operating and maintenance reserve is to be equal to two months operating and maintenance expenses and is to be used only if RIAC does not have sufficient funds in its current operating accounts to pay these expenses on a timely basis. The repair and rehabilitation reserve is to be equal to \$500,000 and can be used solely for emergency repairs and rehabilitation to airport facilities. Both reserves have been funded as required and neither has been used to date.

13. Noise mitigation expenses:

The Noise Mitigation Program consists of improvements to properties and public facilities not owned by RIAC that are within the FAA designated high noise impact area. Funding for this program has been provided through federal grants and revenue bond proceeds.

Due to an increase in the amount and frequency of such expenditures, management determined in 2001 that it is appropriate to expense these costs as incurred. Accordingly, included in nonoperating revenues and expenses, noise mitigation for the year ended June 30, 2001 is \$26,093,596 related to the write-off of such amounts for the fiscal year 2001 and prior years as follows:

Noise mitigation costs incurred in 2001	\$ 4,152,511
Write-off of noise mitigation costs, exclusive of land acquisition costs, incurred prior to 2001, net of accumulated amortization of \$8,206,920	21,941,085
	\$ 26,093,596

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

14. Discontinued operations:

On April 23, 2001, EDC's Board of Directors adopted a formal plan to close the Airport Support Fund's Steam Plant (Steam Plant) at the end of the 2002 heating season. As a result, RIAC has accounted for the operations of the Steam Plant as a discontinued operation.

At June 30, 2001, the estimated loss from discontinued operations of \$1,257,397 included both the estimated loss on the write-off of the Steam Plant machinery and equipment owned by the Airport Support Fund of \$342,437 and a provision of \$914,960 for expected operating losses during the phase-out period from April 23, 2001 to April 30, 2002. Approximately \$102,400 of the expected operating loss was incurred in 2001.

As of June 30, 2002, the Steam Plant had been decommissioned, and operating losses of \$193,019 in excess of amounts provided in 2001 were incurred.

Gross revenues from Steam Plant operations for 2001 were \$658,206. This amount has been excluded from nonoperating revenues, Airport Support Fund revenue, and is included in discontinued operations in the accompanying 2001 statement of revenues, expenses and changes in net assets.

A summary of the assets and liabilities of the Airport Support Fund follows:

	2002	2001
Assets:		
Deposits and prepaid items	\$ 266,210	\$ 241,432
Property and equipment, less accumulated depreciation and amortization	11,996	12,746
Total assets	\$ 278,206	\$ 254,178
Liabilities, accrued expenses	\$ 1,893,606	\$ 1,924,744
Net assets (deficiency):		
Invested in capital assets, net of related debt	\$ 11,996	\$ 12,746
Unrestricted	(1,627,396)	(1,683,312)
Total net asset deficiency	\$ (1,615,400)	\$ (1,670,566)

Included in liabilities, accrued expenses is \$1,876,265 and \$1,073,862 due EDC at June 30, 2002 and 2001, respectively.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

15. Risk management:

RIAC is self-insured for workers' unemployment. Historically, there has been minimal attrition in the workforce. RIAC pays for unemployment claims as they are incurred and is liable for a maximum of 26 weeks on any claimant.

16. Commitments and contingencies:

Federally assisted programs - compliance audits:

RIAC participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, RIAC may be required to reimburse the grantor government. As of June 30, 2002, significant amounts of grant expenditures have not been audited, but RIAC believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of RIAC.

Dispute with City of Warwick:

The City of Warwick (the City) has assessed property taxes against RIAC for assessment years ending December 31, 1997 and 1998 for an amount in excess of \$1,000,000 for each year. RIAC has appealed the assessments on the basis that it is exempt from taxation. RIAC, with the concurrence of outside counsel, believes it will prevail. Accordingly, no amounts have been provided in the accompanying financial statements.

As a result of legislation passed by the Rhode Island General Assembly, the City increased its fee for services provided to RIAC from \$275,000 per year to \$500,000 per year commencing in fiscal year 2000. Under federal aviation law, RIAC is barred from making payments to the City beyond the extent of the value of services provided. The Federal Aviation Administration (FAA) has requested that RIAC obtain documentation from the City to substantiate the amount charged of \$500,000 in 2000 as well as the \$275,000 charged for each of the prior years. To date, the City has been unable to completely provide the requested documentation. Should the City be unable to completely provide the requested documentation, the FAA may bar any further payments and may require RIAC to commence legal action against the City to collect prior amounts paid to the City that cannot be substantiated.

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001

16. Commitments and contingencies (continued):

Internal Revenue Service audit:

The Internal Revenue Service (IRS) has initiated an audit of the Rhode Island Economic Development Corporation's \$78,100,000 Airport Revenue Bonds, 1993 Series A issued for the benefit of RIAC. To date, the IRS has not presented any findings relative to the taxability of the bonds. RIAC believes that the IRS will conclude that the bonds are nontaxable, and no liability to bondholders or itself will result.

Independent Auditors' Report on Accompanying Information

Board of Directors
Rhode Island Airport Corporation
Warwick, Rhode Island

We conducted our audits to form an opinion on the 2002 and 2001 financial statements of the Rhode Island Airport Corporation (RIAC), a component unit of the Rhode Island Economic Development Corporation (EDC), which is a component unit of the State of Rhode Island, taken as a whole. The supplemental schedules on pages 46 through 54 are presented for purposes of additional analysis. The schedules are not a required part of the basic financial statements. The information included in these schedules as of and for the years ended June 30, 2002 and 2001 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

September 9, 2002

RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

SCHEDULE OF PROFESSIONAL FEES

YEARS ENDED JUNE 30, 2002 AND 2001
(See independent auditors' report on accompanying information)

	2002	2001
Legal services:		
Adler, Pollock & Sheehan		\$ 4,416
Nixon, Peabody LLP		19,005
Roney & Labinger	\$ 9,000	
Tillinghast, Licht & Semonoff	390,691	325,889
	399,691	349,310
Planning, design and support during construction:		
Airport Aviation Professionals		19,933
Camp Dresser & McKee, Inc.	5,848	
Clough, Harbour & Associates	99,860	118,194
Dufresne – Henery, Inc.	149,563	185,706
Edwards & Kelcey Inc.	439,326	118,214
Fullerton & Friar	93,919	
Fuss & O'Neill	280,280	211,778
Gale Associates	87,530	24,500
Hirschfield/ISHII		39,000
Howard, Needles, Tammen & Bergendoff	192,939	283,688
Hoyle, Tanner & Associates		2,616
Jones Payne Architects & Planners, Inc.	1,898,534	1,233,506
Landrum & Brown	1,494,629	333,627
Leigh Fisher & Associates	64,994	260,775
LSG, Inc.		12,730
Parsons Brinkerhoff Quade & Douglas	42,305	112,574
PB Gilbane	1,094,888	972,237
Peter Muller Munk Associates	46,829	16,748
Peter Stempel		34,000
TAMS	119,833	951,790
Tillinghast, Licht & Semonoff	59,889	1,158
Universal Field Services		3,059
URS Greiner, Inc.	4,275	349,445
WD Shock Company	884,188	569,778
White Appraisal Co.	1,250	
	7,060,879	5,855,056

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RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

SCHEDULE OF PROFESSIONAL FEES (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001
(See independent auditors' report on accompanying information)

	2002	2001
Auditors, Lefkowitz, Garfinkel, Champi & DeRienzo P.C.	\$ 54,531	\$ 59,742
Other consultants:		
American Arbitration Association		150
AON Risk Services	350	21,404
Beta Engineering	40,000	22,048
Camp Dresser		131,133
Computer Merchant	83,229	672
Cyn Environmental	7,862	2,599
Edwards & Kelcey	128,448	99,035
Fullerton & Friar	58,502	77,712
Gale Associates	175	49,798
Hawthorne Aviation		65,000
Henry Dufresne	407	2,094
Howard, Needles, Tammen & Bergendoff	24,144	
J.H. Albert International Insurance	6,777	781
Lefkowitz, Garfinkel, Champi & DeRienzo P.C.	5,500	
Leigh Fisher & Associates		29,032
LSG Inc.	11,742	1,500
Michael Ryan Esq.		4,459
Nancy Nahill-Monti		6,000
Network Six		4,600
Northeast Engineering Consulting		5,000
PB Gilbane	499,471	1,681,805
Providence Center Employee Assistance		2,335
Ralph Smithers LLC	3,187	19,424
RDW Group	72,800	41,766
Ricondo & Associates	45,364	
Robert F. Borah & Associates	150	
Siegmund & Associates		17,195
	988,108	2,285,542

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RHODE ISLAND AIRPORT CORPORATION
(A COMPONENT UNIT OF RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION)

SCHEDULE OF PROFESSIONAL FEES (CONTINUED)

YEARS ENDED JUNE 30, 2002 AND 2001
(See independent auditors' report on accompanying information)

	<u>2002</u>	<u>2001</u>
Legal and professional fees related to cost of issuance for the Special Facility Bonds for the Intermodal Facility:		
Fullerton & Friar		\$ 29,205
Standard & Poors	\$ 17,000	
Tillinghast, Licht & Semonoff	<u>48,997</u>	<u>2,844</u>
	<u>65,997</u>	<u>32,049</u>
Professional fees related to PFC application, Leigh Fisher Associates		<u>41,000</u>
Total professional fees	<u>\$ 8,569,206</u>	<u>\$ 8,622,699</u>

Rhode Island Airport Corporation
Schedule of Travel & Entertainment Expenses
Year Ended June 30, 2002

Individual/Organization	Employee	Purpose	Date	Place	Type	Amount Paid
Bank of America	M. Brewer	FAA Meeting	7/16/2001	Washington, DC	Airfare	\$ 239
Mark Brewer	M. Brewer	FAA Meeting	7/16/2001	Washington, DC	Meals	9
Mark Brewer	M. Brewer	FAA Meeting	7/16/2001	Washington, DC	Misc.	23
First Bankcard Center	M. Brewer	July Security Equipment Product Team Meeting	07-23 - 07-25/01	Washington, DC	Hotel	377
Mark Brewer	M. Brewer	July Security Equipment Product Team Meeting	07-23 - 07-25/01	Washington, DC	Meals	66
Mark Brewer	M. Brewer	July Security Equipment Product Team Meeting	07-23 - 07-25/01	Washington, DC	Misc.	31
FAA-Reimbursement	M. Brewer	July Security Equipment Product Team Meeting	07-23 - 07-25/01	Washington, DC	Reimbursement	(1,018)
Jose DaSilva	J. DaSilva	24th Annual International Facilities Conference	07-28 - 08-01/01	Colorado Spring, CO	Hotel	497
Jose DaSilva	J. DaSilva	24th Annual International Facilities Conference	07-28 - 08-01/01	Colorado Spring, CO	Meals	49
Jose DaSilva	J. DaSilva	24th Annual International Facilities Conference	07-28 - 08-01/01	Colorado Spring, CO	Misc.	47
Jose DaSilva	J. DaSilva	24th Annual International Facilities Conference	07-28 - 08-01/01	Colorado Spring, CO	Auto	258
Bank of America	M. Brewer	Seattle-Tacoma International Airport Peer Review	08-11 - 08-16/01	Seattle, WA	Airfare	517
Mark Brewer	M. Brewer	Seattle-Tacoma International Airport Peer Review	08-11 - 08-16/01	Seattle, WA	Meals	8
Mark Brewer	M. Brewer	Seattle-Tacoma International Airport Peer Review	08-11 - 08-16/01	Seattle, WA	Misc.	22
Port of Seattle	M. Brewer	Seattle-Tacoma International Airport Peer Review	08-11 - 08-16/01	Seattle, WA	Reimbursement	(548)
First Bankcard Center	M. Cheston	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Airfare	730
First Bankcard Center	M. Cheston	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Hotel	746
Michael Cheston	M. Cheston	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Meals	34
Michael Cheston	M. Cheston	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Misc.	54
David F. Edwards	D. Edwards	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Airfare	730
David F. Edwards	D. Edwards	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Hotel	733
David F. Edwards	D. Edwards	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Meals	21
David F. Edwards	D. Edwards	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Misc.	75
First Bankcard Center	M. Brewer	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Hotel	647
Mark Brewer	M. Brewer	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Meals	6
First Bankcard Center	M. Brewer	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Meals	16
Mark Brewer	M. Brewer	Northeast Chapter AAAE Annual Conference	08-18 - 08-22/01	Quebec, Canada	Misc.	94
John Thomas	J. Thomas	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Airfare	224
John Thomas	J. Thomas	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Hotel	782
John Thomas	J. Thomas	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Meals	177
John Thomas	J. Thomas	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Misc.	42
John F. Woodard Sr.	J. Woodard	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Airfare	224
John F. Woodard Sr.	J. Woodard	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Hotel	782
John F. Woodard Sr.	J. Woodard	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Meals	150
John F. Woodard Sr.	J. Woodard	ARFF Working Group	08-23 - 08-28/01	New Orleans, LA	Misc.	62
Omni Shoreham Hotel	J. Zisiades	Aircraft & Airfield Deicing Conference	08-26 - 08-27/01	Washington, DC	Hotel	321
Bank of America	M. Brewer	East Coast Aviation Forum	08-29 - 08-30/01	Baltimore, MD	Airfare	122
First Bankcard Center	M. Brewer	East Coast Aviation Forum	08-29 - 08-30/01	Baltimore, MD	Hotel	124
Mark Brewer	M. Brewer	East Coast Aviation Forum	08-29 - 08-30/01	Baltimore, MD	Meals	4
First Bankcard Center	M. Brewer	East Coast Aviation Forum	08-29 - 08-30/01	Baltimore, MD	Meals	34
Mark Brewer	M. Brewer	East Coast Aviation Forum	08-29 - 08-30/01	Baltimore, MD	Misc.	40
First Bankcard Center	M. Cheston	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Airfare	544
First Bankcard Center	M. Cheston	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Hotel	343
First Bankcard Center	M. Cheston	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Meals	287
First Bankcard Center	M. Cheston	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Misc.	20
Michael Cheston	M. Cheston	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Misc.	58
First Bankcard Center	M. Cheston	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Auto	129
First Bankcard Center	M. Cheston	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Auto	176
First Bankcard Center	C. Cameron	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Airfare	544
E. Colby Cameron	C. Cameron	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Hotel	332
E. Colby Cameron	C. Cameron	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Misc.	50
E. Colby Cameron	C. Cameron	ACI/North America Conference and Exhibition	09-09 - 09-11/01	Montreal, Canada	Auto	169
Andrew Abram	A. Abram	Powerphone, Inc.	09-17 - 09-19/01	Plymouth, MA	Hotel	132
Andrew Abram	A. Abram	Powerphone, Inc.	09-17 - 09-19/01	Plymouth, MA	Meals	42
Kenneth Johnston	K. Johnston	Powerphone, Inc.	09-17 - 09-19/01	Plymouth, MA	Hotel	132
Kenneth Johnston	K. Johnston	Powerphone, Inc.	09-17 - 09-19/01	Plymouth, MA	Meals	36

Rhode Island Airport Corporation
Schedule of Travel & Entertainment Expenses
Year Ended June 30, 2002

Individual/Organization	Employee	Purpose	Date	Place	Type	Amount Paid
Kenneth Johnston	K. Johnston	Powerphone, Inc.	09-17 - 09-19/01	Plymouth, MA	Misc.	\$ 4
Holiday Inn	R. Perry	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Hotel	225
Robert Perry	R. Perry	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Meals	140
Robert Perry	R. Perry	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Misc.	170
Budget Car Rental	R. Perry	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Auto	787
Holiday Inn	M. Harrington	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Hotel	225
Michael Harrington	M. Harrington	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Meals	220
Holiday Inn	D. Pacheco	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Hotel	225
David Pacheco	D. Pacheco	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Meals	123
Holiday Inn	D. Potter	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Hotel	225
Dana Potter	D. Potter	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Meals	142
Holiday Inn	D. Potter	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Hotel	225
Justin Vail	D. Potter	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Meals	70
Holiday Inn	P. Kaczorowski	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Hotel	225
Peter Kaczorowski	P. Kaczorowski	Basic ARFF Training Course	09-30 - 10-05/01	Rochester, NY	Meals	237
Paul Healy	P. Collins	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Airfare	652
Super 8 Motel	P. Collins	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Hotel	156
Paul Collins	P. Collins	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Meals	197
Paul Collins	P. Collins	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Misc.	32
Avis Rent a Car System	P. Collins	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Auto	468
Paul Healy	M. Harrington	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Airfare	652
Super 8 Motel	M. Harrington	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Hotel	156
Paul Healy	D. Pacheco	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Airfare	652
Super 8 Motel	D. Pacheco	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Hotel	156
David Pacheco	D. Pacheco	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Meals	152
Paul Healy	D. Potter	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Airfare	652
Super 8 Motel	D. Potter	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Hotel	156
Dana Potter	D. Potter	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Meals	239
Paul Healy	J. Vail	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Airfare	652
Super 8 Motel	J. Vail	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Hotel	156
Justin Vail	J. Vail	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Meals	130
Paul Healy	P. Kaczorowski	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Airfare	652
Super 8 Motel	P. Kaczorowski	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Hotel	156
Peter Kaczorowski	P. Kaczorowski	Emergency Vehicle Operations Training	10-21 - 10-25/01	Dallas, TX	Meals	178
First Bankcard Center	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Airfare	101
Bank of America	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Airfare	103
First Bankcard Center	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Hotel	238
Mark Brewer	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Meals	15
First Bankcard Center	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Meals	54
Mark Brewer	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Misc.	28
FAA-Reimbursement	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Reimburse	(728)
Hertz Corporation	M. Brewer	October Security Equip. Integrated Product	10-22 - 10-24/01	Herndon, VA	Auto	189
Bank of America	M. Brewer	Aviation Security Summit	10-28 - 10-30/01	Washington, DC	Airfare	155
First Bankcard Center	M. Brewer	Aviation Security Summit	10-28 - 10-30/01	Washington, DC	Hotel	370
Mark Brewer	M. Brewer	Aviation Security Summit	10-28 - 10-30/01	Washington, DC	Meals	31
First Bankcard Center	M. Brewer	Aviation Security Summit	10-28 - 10-30/01	Washington, DC	Meals	45
Mark Brewer	M. Brewer	Aviation Security Summit	10-28 - 10-30/01	Washington, DC	Misc.	22
First Bankcard Center	M. Brewer	Aviation Security Summit	10-28 - 10-30/01	Washington, DC	Misc.	55
FAA-Reimbursement	M. Brewer	Aviation Security Summit	10-28 - 10-30/01	Washington, DC	Reimburse	(955)
Bank of America	M. Brewer	Aviation Security Technology Symposium	11-26 - 11-30/01	Atlantic City, NJ	Airfare	398
First Bankcard Center	M. Brewer	Aviation Security Technology Symposium	11-26 - 11-30/01	Atlantic City, NJ	Hotel	389
First Bankcard Center	M. Brewer	Aviation Security Technology Symposium	11-26 - 11-30/01	Atlantic City, NJ	Meals	29
Mark Brewer	M. Brewer	Aviation Security Technology Symposium	11-26 - 11-30/01	Atlantic City, NJ	Meals	92
First Bankcard Center	M. Brewer	Aviation Security Technology Symposium	11-26 - 11-30/01	Atlantic City, NJ	Misc.	18
FAA-Reimbursement	M. Brewer	Aviation Security Technology Symposium	11-26 - 11-30/01	Atlantic City, NJ	Reimburse	(1,464)
Avis Rent a Car System	M. Brewer	Aviation Security Technology Symposium	11-26 - 11-30/01	Atlantic City, NJ	Auto	230

Rhode Island Airport Corporation
Schedule of Travel & Entertainment Expenses
Year Ended June 30, 2002

Individual/Organization	Employee	Purpose	Date	Place	Type	Amount
Bank of America	M. Brewer	F. Russell Hoyt National Airport Conference	11-30 - 12-05/01	Tucson, AZ	Airfare	\$ 30
Bank of America	M. Brewer	F. Russell Hoyt National Airport Conference	11-30 - 12-05/01	Tucson, AZ	Airfare	370
First Bankcard Center	M. Brewer	F. Russell Hoyt National Airport Conference	11-30 - 12-05/01	Tucson, AZ	Hotel	801
Mark Brewer	M. Brewer	F. Russell Hoyt National Airport Conference	11-30 - 12-05/01	Tucson, AZ	Meals	37
First Bankcard Center	M. Brewer	F. Russell Hoyt National Airport Conference	11-30 - 12-05/01	Tucson, AZ	Meals	56
First Bankcard Center	M. Brewer	F. Russell Hoyt National Airport Conference	11-30 - 12-05/01	Tucson, AZ	Misc.	110
First Bankcard Center	M. Brewer	F. Russell Hoyt National Airport Conference	11-30 - 12-05/01	Tucson, AZ	Auto	107
Mark Brewer	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Airfare	39
Bank of America	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Airfare	116
First Bankcard Center	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Hotel	136
First Bankcard Center	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Meals	22
Mark Brewer	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Meals	28
First Bankcard Center	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Misc.	4
Mark Brewer	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Misc.	20
First Bankcard Center	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Misc.	33
First Bankcard Center	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Misc.	33
FAA-Reimbursement	M. Brewer	Aviation Security Advisory Committee	12-17 - 12-18/01	Washington, DC	Reimburse	(432)
Bank of America	M. Brewer	2002 Aviation Issues Conference	01-04 - 01-12/02	Kona, Hawaii	Airfare	719
First Bankcard Center	M. Brewer	2002 Aviation Issues Conference	01-04 - 01-12/02	Kona, Hawaii	Hotel	1,237
Mark Brewer	M. Brewer	2002 Aviation Issues Conference	01-04 - 01-12/02	Kona, Hawaii	Meals	137
Mark Brewer	M. Brewer	2002 Aviation Issues Conference	01-04 - 01-12/02	Kona, Hawaii	Misc.	30
First Bankcard Center	M. Brewer	2002 Aviation Issues Conference	01-04 - 01-12/02	Kona, Hawaii	Misc.	39
Avis Rent a Car System	M. Brewer	2002 Aviation Issues Conference	01-04 - 01-12/02	Kona, Hawaii	Auto	244
Bank of America	M. Brewer	January Security Equip Integrated Products	01-15 - 01-17/02	Washington, DC	Airfare	571
First Bankcard Center	M. Brewer	January Security Equip Integrated Products	01-15 - 01-17/02	Washington, DC	Hotel	341
Mark Brewer	M. Brewer	January Security Equip Integrated Products	01-15 - 01-17/02	Washington, DC	Meals	31
First Bankcard Center	M. Brewer	January Security Equip Integrated Products	01-15 - 01-17/02	Washington, DC	Meals	47
First Bankcard Center	M. Brewer	January Security Equip Integrated Products	01-15 - 01-17/02	Washington, DC	Misc.	1
Mark Brewer	M. Brewer	January Security Equip Integrated Products	01-15 - 01-17/02	Washington, DC	Misc.	71
FAA-Reimbursement	M. Brewer	January Security Equip Integrated Products	01-15 - 01-17/02	Washington, DC	Reimburse	(1,064)
Paul Healy	P. Healy	ARFF Emergency Response School	01-20 - 01-25/02	Palm Springs, FL	Airfare	406
Paul Healy	P. Healy	ARFF Emergency Response School	01-20 - 01-25/02	Palm Springs, FL	Hotel	823
Paul Healy	P. Healy	ARFF Emergency Response School	01-20 - 01-25/02	Palm Springs, FL	Meals	219
Paul Healy	P. Healy	ARFF Emergency Response School	01-20 - 01-25/02	Palm Springs, FL	Misc.	57
First Bankcard Center	M. Cheston	Southwest Corporate Office	1/22/2002	Dallas, TX	Airfare	642
Petty Cash	M. Cheston	Southwest Corporate Office	1/22/2002	Dallas, TX	Meals	6
Petty Cash	M. Cheston	Southwest Corporate Office	1/22/2002	Dallas, TX	Misc.	81
William Steinkamp	W. Steinkamp	Mass Port Security Peer Review	01-24 - 01-25/02	Boston, MA	Hotel	111
William Steinkamp	W. Steinkamp	Mass Port Security Peer Review	01-24 - 01-25/02	Boston, MA	Misc.	26
First Bankcard Center	M. Cheston	Advanced Counterterrorism Operations	01-28 - 01-30/02	Atlanta, GA	Airfare	546
First Bankcard Center	M. Cheston	Advanced Counterterrorism Operations	01-28 - 01-30/02	Atlanta, GA	Hotel	628
Michael Cheston	M. Cheston	Advanced Counterterrorism Operations	01-28 - 01-30/02	Atlanta, GA	Meals	6
First Bankcard Center	M. Cheston	Advanced Counterterrorism Operations	01-28 - 01-30/02	Atlanta, GA	Meals	52
First Bankcard Center	M. Cheston	Advanced Counterterrorism Operations	01-28 - 01-30/02	Atlanta, GA	Misc.	42
Avis Rent a Car System	M. Cheston	Advanced Counterterrorism Operations	01-28 - 01-30/02	Atlanta, GA	Auto	287
Bank of America	M. Brewer	FAA Secure Flow Meeting	1/30/2002	Washington, DC	Airfare	583
Mark Brewer	M. Brewer	FAA Secure Flow Meeting	1/30/2002	Washington, DC	Meals	8
First Bankcard Center	J. Jarry	TIFIA Meeting	1/30/2002	Washington, DC	Airfare	(74)
First Bankcard Center	J. Jarry	TIFIA Meeting	1/30/2002	Washington, DC	Airfare	780
James Jarry	J. Jarry	TIFIA Meeting	1/30/2002	Washington, DC	Meals	106
James Jarry	J. Jarry	TIFIA Meeting	1/30/2002	Washington, DC	Misc.	204
Bank of America	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Airfare	873
First Bankcard Center	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Hotel	626
Mark Brewer	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Meals	5
First Bankcard Center	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Meals	60
Mark Brewer	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Misc.	16

Rhode Island Airport Corporation
Schedule of Travel & Entertainment Expenses
Year Ended June 30, 2002

Individual/Organization	Employee	Purpose	Date	Place	Type	Amount
First Bankcard Center	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Misc.	\$ 86
FAA-Reimbursement	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Reimburse	(2,412)
Avis Rent a Car System	M. Brewer	ACC/AAAE Symposium	02-20 - 02-22/02	Denver, CO	Auto	310
Michael Mini	M. Mini	Airport Planning, Design & Construction Symposium	02-20 - 02-24/02	Denver, CO	Airfare	143
First Bankcard Service	M. Mini	Airport Planning, Design & Construction Symposium	02-20 - 02-24/02	Denver, CO	Airfare	401
Denver Marriot City Center	M. Mini	Airport Planning, Design & Construction Symposium	02-20 - 02-24/02	Denver, CO	Hotel	626
Michael Mini	M. Mini	Airport Planning, Design & Construction Symposium	02-20 - 02-24/02	Denver, CO	Meals	24
Michael Mini	M. Mini	Airport Planning, Design & Construction Symposium	02-20 - 02-24/02	Denver, CO	Misc.	84
Bank of America	M. Brewer	Security Equipment Integrated Product Team EDS	02-23 - 02-26/02	Salt Lake City, U	Airfare	801
First Bankcard Center	M. Brewer	Security Equipment Integrated Product Team EDS	02-23 - 02-26/02	Salt Lake City, U	Hotel	563
Mark Brewer	M. Brewer	Security Equipment Integrated Product Team EDS	02-23 - 02-26/02	Salt Lake City, U	Meals	92
Mark Brewer	M. Brewer	Security Equipment Integrated Product Team EDS	02-23 - 02-26/02	Salt Lake City, U	Misc.	6
John Thomas	L. North	International Center of Emergency Response Training Acad	02-27 - 02-28/02	Ocala, FL	Airfare	247
Courtyard by Marriott	L. North	International Center of Emergency Response Training Acad	02-27 - 02-28/02	Ocala, FL	Hotel	63
Lee North	L. North	International Center of Emergency Response Training Acad	02-27 - 02-28/02	Ocala, FL	Meals	19
Lee North	L. North	International Center of Emergency Response Training Acad	02-27 - 02-28/02	Ocala, FL	Misc.	24
Avis Rent a Car System	L. North	International Center of Emergency Response Training Acad	02-27 - 02-28/02	Ocala, FL	Auto	72
Bank of America	M. Brewer	NASAO 2002 Washington Legislative Conference	03-03 - 03-06/02	Washington, DC	Airfare	130
Bank of America	M. Brewer	NASAO 2002 Washington Legislative Conference	03-03 - 03-06/02	Washington, DC	Airfare	177
First Bankcard Center	M. Brewer	NASAO 2002 Washington Legislative Conference	03-03 - 03-06/02	Washington, DC	Hotel	728
Mark Brewer	M. Brewer	NASAO 2002 Washington Legislative Conference	03-03 - 03-06/02	Washington, DC	Meals	75
First Bankcard Center	M. Brewer	NASAO 2002 Washington Legislative Conference	03-03 - 03-06/02	Washington, DC	Meals	87
Mark Brewer	M. Brewer	NASAO 2002 Washington Legislative Conference	03-03 - 03-06/02	Washington, DC	Misc.	55
Bank of America	M. Brewer	Security & Automation at Airports 2002	03-10 - 03-13/02	Orlando, FL	Airfare	213
First Bankcard Center	M. Brewer	Security & Automation at Airports 2002	03-10 - 03-13/02	Orlando, FL	Hotel	663
First Bankcard Center	M. Brewer	Security & Automation at Airports 2002	03-10 - 03-13/02	Orlando, FL	Meals	34
Mark Brewer	M. Brewer	Security & Automation at Airports 2002	03-10 - 03-13/02	Orlando, FL	Meals	41
Mark Brewer	M. Brewer	Security & Automation at Airports 2002	03-10 - 03-13/02	Orlando, FL	Misc.	39
Bank of America	M. Brewer	March Security Equipment Integrated Product Team Meetin	03-19 - 03-20/02	Herndon, VA	Airfare	177
Bank of America	M. Brewer	March Security Equipment Integrated Product Team Meetin	03-19 - 03-20/02	Herndon, VA	Airfare	280
First Bankcard Center	M. Brewer	March Security Equipment Integrated Product Team Meetin	03-19 - 03-20/02	Herndon, VA	Hotel	320
Mark Brewer	M. Brewer	March Security Equipment Integrated Product Team Meetin	03-19 - 03-20/02	Herndon, VA	Meals	20
First Bankcard Center	M. Brewer	March Security Equipment Integrated Product Team Meetin	03-19 - 03-20/02	Herndon, VA	Meals	54
Mark Brewer	M. Brewer	March Security Equipment Integrated Product Team Meetin	03-19 - 03-20/02	Herndon, VA	Misc.	31
FAA-Reimbursement	M. Brewer	March Security Equipment Integrated Product Team Meetin	03-19 - 03-20/02	Herndon, VA	Reimburse	(766)
First Bankcard Center	W. Steinkamp	10th. Annual Terrorism Trends & Forecasts 2002	03-24 - 03-27/02	New York, NY	Airfare	160
William Steinkamp	W. Steinkamp	10th. Annual Terrorism Trends & Forecasts 2002	03-24 - 03-27/02	New York, NY	Hotel	378
William Steinkamp	W. Steinkamp	10th. Annual Terrorism Trends & Forecasts 2002	03-24 - 03-27/02	New York, NY	Meals	125
William Steinkamp	W. Steinkamp	10th. Annual Terrorism Trends & Forecasts 2002	03-24 - 03-27/02	New York, NY	Misc.	27
First Bankcard Center	M. Savone	Fifth Annual Airport Geographic Information System	03-24 - 03-27/02	Atlanta, GA	Airfare	188
Sheraton Hotel	M. Savone	Fifth Annual Airport Geographic Information System	03-24 - 03-27/02	Atlanta, GA	Hotel	318
Matthew Savone	M. Savone	Fifth Annual Airport Geographic Information System	03-24 - 03-27/02	Atlanta, GA	Meals	46
Matthew Savone	M. Savone	Fifth Annual Airport Geographic Information System	03-24 - 03-27/02	Atlanta, GA	Misc.	46
First Bankcard Service	J. Zisiades	11th. Annual National Aviation Environmental Management	03-25 - 03-27/02	Dayton, OH	Airfare	563
Dayton Marriott	J. Zisiades	11th. Annual National Aviation Environmental Management	03-25 - 03-27/02	Dayton, OH	Hotel	185
James Zisiades	J. Zisiades	11th. Annual National Aviation Environmental Management	03-25 - 03-27/02	Dayton, OH	Meals	8
James Zisiades	J. Zisiades	11th. Annual National Aviation Environmental Management	03-25 - 03-27/02	Dayton, OH	Misc.	40
First Bankcard Center	D. Edwards	Runway Safety Industry	03-26 - 03-28/02	Washington, DC	Airfare	161
David Edwards	D. Edwards	Runway Safety Industry	03-26 - 03-28/02	Washington, DC	Meals	37
David Edwards	D. Edwards	Runway Safety Industry	03-26 - 03-28/02	Washington, DC	Misc.	137
Mary Soderstrum	M. Soderstrum	Relocation	4/4/2002	Warwick, RI	Airfare	427
Mary Soderstrum	M. Soderstrum	Relocation	4/9/2002	Warwick, RI	Misc.	4,643
Mary Soderstrum	M. Soderstrum	Relocation	4/9/2002	Warwick, RI	Auto	275
First Bankcard Service	W. Steinkamp	Bio Defense Mobilization Conference	04-08 - 04-11/02	Seattle, WA	Airfare	57
First Bankcard Service	W. Steinkamp	Bio Defense Mobilization Conference	04-08 - 04-11/02	Seattle, WA	Airfare	251
William Steinkamp	W. Steinkamp	Bio Defense Mobilization Conference	04-08 - 04-11/02	Seattle, WA	Hotel	572

Rhode Island Airport Corporation
Schedule of Travel & Entertainment Expenses
Year Ended June 30, 2002

Individual/Organization	Employee	Purpose	Date	Place	Type	Amount
William Steinkamp	W. Steinkamp	Bio Defense Mobilization Conference	04-08 - 04-11/02	Seattle, WA	Meals	\$ 93
William Steinkamp	W. Steinkamp	Bio Defense Mobilization Conference	04-08 - 04-11/02	Seattle, WA	Misc.	123
Avis Rent a Car System	W. Steinkamp	Bio Defense Mobilization Conference	04-08 - 04-11/02	Seattle, WA	Auto	287
First Bankcard Service	W. Steinkamp	Sworn Law Enforcement & Office	04-14 - 04-19/02	San Diego, CA	Airfare	57
First Bankcard Service	W. Steinkamp	Sworn Law Enforcement & Office	04-14 - 04-19/02	San Diego, CA	Airfare	251
William Steinkamp	W. Steinkamp	Sworn Law Enforcement & Office	04-14 - 04-19/02	San Diego, CA	Hotel	608
William Steinkamp	W. Steinkamp	Sworn Law Enforcement & Office	04-14 - 04-19/02	San Diego, CA	Meals	90
William Steinkamp	W. Steinkamp	Sworn Law Enforcement & Office	04-14 - 04-19/02	San Diego, CA	Misc.	66
Bank of America	M. Brewer	International Aviation Snow Symposium	04-27 - 04-29/02	Buffalo, NY	Airfare	192
First Bankcard Center	M. Brewer	International Aviation Snow Symposium	04-27 - 04-29/02	Buffalo, NY	Hotel	258
Mark Brewer	M. Brewer	International Aviation Snow Symposium	04-27 - 04-29/02	Buffalo, NY	Meals	18
First Bankcard Center	M. Brewer	International Aviation Snow Symposium	04-27 - 04-29/02	Buffalo, NY	Meals	34
Mark Brewer	M. Brewer	International Aviation Snow Symposium	04-27 - 04-29/02	Buffalo, NY	Misc.	14
First Bankcard Center	J. Vaughn	International Aviation Snow Symposium	04-27 - 05-01/02	Buffalo, NY	Airfare	200
First Bankcard Center	J. Vaughn	International Aviation Snow Symposium	04-27 - 05-01/02	Buffalo, NY	Hotel	531
John Vaughn	J. Vaughn	International Aviation Snow Symposium	04-27 - 05-01/02	Buffalo, NY	Meals	36
Patricia Goldstein	P. Goldstein	Airport Council International Word Conf.	05-07 - 05-11/02	Vancouver, CA	Airfare	525
Patricia Goldstein	P. Goldstein	Airport Council International Word Conf.	05-07 - 05-11/02	Vancouver, CA	Hotel	817
Patricia Goldstein	P. Goldstein	Airport Council International Word Conf.	05-07 - 05-11/02	Vancouver, CA	Meals	69
Patricia Goldstein	P. Goldstein	Airport Council International Word Conf.	05-07 - 05-11/02	Vancouver, CA	Misc.	99
New York Helmsley	S. Bowen	Labor Relations Law	05-15 - 05-17/02	New York, NY	Hotel	412
Susann Bowen	S. Bowen	Labor Relations Law	05-15 - 05-17/02	New York, NY	Meals	32
Susann Bowen	S. Bowen	Labor Relations Law	05-15 - 05-17/02	New York, NY	Misc.	13
First Bankcard Center	S. Bowen	Labor Relations Law	05-15 - 05-17/02	New York, NY	Misc.	110
Bank of America	M. Brewer	AAAE 2002 Annual Conference	05-17 - 05-23/02	Dallas, TX	Airfare	207
Bank of America	M. Brewer	AAAE 2002 Annual Conference	05-17 - 05-23/02	Dallas, TX	Airfare	282
First Bankcard Center	M. Brewer	AAAE 2002 Annual Conference	05-17 - 05-23/02	Dallas, TX	Hotel	1,187
Mark Brewer	M. Brewer	AAAE 2002 Annual Conference	05-17 - 05-23/02	Dallas, TX	Meals	39
Mark Brewer	M. Brewer	AAAE 2002 Annual Conference	05-17 - 05-23/02	Dallas, TX	Misc.	52
First Bankcard Center	D. Edwards	74th Annual AAAE Conference	05-19 - 05-22/02	Dallas, TX	Airfare	314
First Bankcard Center	D. Edwards	74th Annual AAAE Conference	05-19 - 05-22/02	Dallas, TX	Hotel	791
David Edwards	D. Edwards	74th Annual AAAE Conference	05-19 - 05-22/02	Dallas, TX	Meals	9
David Edwards	D. Edwards	74th Annual AAAE Conference	05-19 - 05-22/02	Dallas, TX	Misc.	72
Sharon Bell	S. Bell	Treasury Mgmt. Association of New England	05-22 - 05-24/02	Boston, MA	Hotel	443
Sharon Bell	S. Bell	Treasury Mgmt. Association of New England	05-22 - 05-24/02	Boston, MA	Meals	38
Sharon Bell	S. Bell	Treasury Mgmt. Association of New England	05-22 - 05-24/02	Boston, MA	Misc.	33
Nicole Williams	N. Williams	Treasury Mgmt. Association of New England	05-22 - 05-24/02	Boston, MA	Hotel	443
Nicole Williams	N. Williams	Treasury Mgmt. Association of New England	05-22 - 05-24/02	Boston, MA	Meals	38
Nicole Williams	N. Williams	Treasury Mgmt. Association of New England	05-22 - 05-24/02	Boston, MA	Misc.	24
Bank of America	M. Brewer	FAA Secure Flow Meeting	05-29 - 05-30/02	Washington, DC	Airfare	77
Bank of America	M. Brewer	FAA Secure Flow Meeting	05-29 - 05-30/02	Washington, DC	Airfare	182
First Bankcard Center	M. Brewer	FAA Secure Flow Meeting	05-29 - 05-30/02	Washington, DC	Hotel	172
Mark Brewer	M. Brewer	FAA Secure Flow Meeting	05-29 - 05-30/02	Washington, DC	Meals	17
First Bankcard Center	M. Brewer	FAA Secure Flow Meeting	05-29 - 05-30/02	Washington, DC	Meals	28
Mark Brewer	M. Brewer	FAA Secure Flow Meeting	05-29 - 05-30/02	Washington, DC	Misc.	37
First Bankcard Center	M. Cheston	Airport Summit	06-02 - 06-04/02	Boca Raton, FL	Airfare	203
Michael Cheston	M. Cheston	Airport Summit	06-02 - 06-04/02	Boca Raton, FL	Meals	7
First Bankcard Center	M. Cheston	Airport Summit	06-02 - 06-04/02	Boca Raton, FL	Meals	55
First Bankcard Center	M. Cheston	Airport Summit	06-02 - 06-04/02	Boca Raton, FL	Misc.	153
Patricia Goldstein	P. Goldstein	Meeting with Frontier Airlines	06-26 - 06-28/02	Denver, CO	Airfare	251
Beth Tetreault	B. Tetreault	Airport Purchasing Group Conference	Cancelled	Washington, DC	Airfare	229
First Bankcard Center	W. Schuster	F. Russell Hoyt National Airport Conference	Cancelled	Tucson, AZ	Airfare	388
Mark Rodrigues	M. Rodrigues	Oshkosh P-Serie Maintenance Training Class	Cancelled	Oshkosh, WI	Misc.	6
Diane Carter	D. Carter	FAMA 2001 Symposium	Cancelled	Sarasota, FL	Airfare	171
First Bankcard Center	J. Warcup	Airfield Safety Signature & Main Mgmt.	Cancelled	Salt Lake City, U	Airfare	300
First Bankcard Center	K. Doyon	Airfield Safety Signature & Main Mgmt.	Cancelled	Salt Lake City, U	Airfare	300

**Rhode Island Airport Corporation
Schedule of Travel & Entertainment Expenses
Year Ended June 30, 2002**

Individual/Organization	Employee	Purpose	Date	Place	Type	Amount
First Bankcard Center	A. Andrade	Airport Pavement Maint Workshop	Cancelled	San Antonio, TX	Airfare	\$ 233
First Bankcard Center	M. Cheston	NE Council Annual Meeting	Cancelled	Washington, DC	Airfare	239
Sams Club	C. Dupre	Air Show 2002	7/10/2001	Warwick, RI	Meals	491
Daves Marketplace	S. Bowen	Career Service Award Meeting	1/14/2002	Warwick, RI	Meals	248
Susann Bowen	S. Bowen	Employee Cook-out	6/3/2002	Warwick, RI	Meals	260
Susann Bowen	S. Bowen	Employees Bi-Monthly - Cheston	5/2/2002	Warwick, RI	Meals	202
Ford Motor Credit	M. Brewer	Lease Payment Ford Explorer	07-01 to 10-01	Warwick, RI	Auto	2,123
Ford Motor Credit	M. Brewer	Lease Payment Ford Explorer	11-01 to 06-02	Warwick, RI	Auto	4,849
Ford Motor Credit	M. Cheston	Lease Payment Ford Explorer	07-01 to 10-01	Warwick, RI	Auto	2,123
Ford Motor Credit	M. Cheston	Lease Payment Ford Explorer	11-01 to 06-02	Warwick, RI	Auto	4,981
Anton Airfood	S. Traficante	Meeting Meals	07-01 to 06-02	Warwick, RI	Meals	2,682
Daves Marketplace	C. Dupre	Meeting Meals	07-01 to 06-02	Warwick, RI	Meals	950
E. Colby Cameron	E. Colby	Meeting Meals	02-02 to 03-02	Warwick, RI	Meals	752
First Bankcard Center	M. Cheston	Meeting Meals	09-01 to 06-02	Warwick, RI	Meals	4,366
Rhode Island Convention Center	S. Traficante	Meeting Meals	1/16/2002	Providence, RI	Meals	1,321
David Cloutier	D. Cloutier	Mileage Reimbursement	09-01 to 05-02	Various	Misc.	423
Patricia Goldstein	P. Goldstein	Mileage Reimbursement	07-01 to 01-02	Various	Misc.	875
Wayne Schuster	W. Schuster	Mileage Reimbursement	7/12/2001	Various	Misc.	293
Daves Marketplace	P. Healy	Mock Airport Disaster Drill Meeting	5/1/2002	Warwick, RI	Meals	211
King Holidays, Inc.	King Holidays, Inc	Press Conference Meals	6/2/2002	Warwick, RI	Meals	265
Gregg Wollard	G. Wollard	Relocation - Arlington, VA	6/7/2002	Warwick, RI	Misc.	2,372
W. Steinkamp	W. Steinkamp	Relocation - Fogelsville, PA	2/1/2002	Warwick, RI	Misc.	7,401
Anton Airfood		Security - Law Enforcement & FAA	Various	Warwick, RI	Meals	4,105
Daves Marketplace		Security - Law Enforcement & FAA	Various	Warwick, RI	Meals	720
First Bankcard Center	G. DeCristofaro	Snow Crew Meals	01-02 to 02-02	Warwick, RI	Meals	1,037
First Bankcard Center	D. Cloutier	To buy ticket for David Cloutier	9/17/2001	Warwick, RI	Airfare	591
First Bankcard Center	P. Reeve	To buy ticket for Paul Reeve	8/14/2001	Warwick, RI	Airfare	319
Radisson	S. Bowen	Training Meals	08-01 to 09-01	Warwick, RI	Meals	860
Daves Marketplace	Daves Marketplace	Wellness Clinic Meal	11/9/2001	Warwick, RI	Meals	272
Patricia Etherington	Hawthorne-P. Eth	AAAE Conference	9/5/01	Alexandria, VA	Airfare	443
Daniel Traficante	Hawthorne-D. Traf	Airfield Safety & Signage Maintenance	10/14-10/16/01	Salt Lake City, UT	Airfare	464
Interstate Navigation	Hawthorne-R. Mio	Ferry to Bid on Maintenance Work	8/1/01	Block Island, RI	Transp.	254
Sovereign Bank	Hawthorne-Nate P	Line Service Supervisor Training	4/25-4/26/02	Hartford, CT	Hotel	245
Hilton Salt Lake City Center	Hawthorne-D. Traf	Manager School	10/14-10/16/01	Salt Lake City, UT	Hotel	220
Tim Bradshaw	Hawthorne-T. Brad	Operation Manager Interview	10/29/2002	Rhode Island	Airfare	425
Tim Bradshaw	Hawthorne-T. Brad	Operation Manager Interview- Family	12/1/01	Rhode Island	Hotel	222
Tim Bradshaw	Hawthorne-T. Brad	Operation Manager Interview- Family	11/19/01-11/24/01	Rhode Island	Airfare	970
Sovereign Bank	Hawthorne-S. Tibb	Piedmont Managers Meeting	4/20-4/24/02	Toronto, Canada	Airfare	369
Sovereign Bank	Hawthorne-S. Tibb	Piedmont Managers Meeting	4/20-4/24/02	Toronto, Canada	Hotel	712
Nate Pickel	Hawthorne-N. Pick	Supervisor Training Seminar	4-24-02-4-26-02	Bradley, CT	Hotel	267
Hawthorne Aviation Petty Cash	Hawthorne	Tokens for Newport Bridge	Various	Rhode Island	Misc.	280
Other Travel and Entertainment		Misc. amounts under \$200				6,399
Total						\$110,942

**Independent Auditors' Report on Compliance and on
Internal Control over Financial Reporting Based on an
Audit of Financial Statements Performed in Accordance
with Government Auditing Standards**

Board of Directors
Rhode Island Airport Corporation
Warwick, Rhode Island

We have audited the financial statements of the Rhode Island Airport Corporation (RIAC), a component unit of the Rhode Island Economic Development Corporation, which is a component unit of the State of Rhode Island, as of and for the year ended June 30, 2002, and have issued our report thereon dated September 9, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether RIAC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered RIAC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on RIAC's financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated September 9, 2002.

**Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards (Continued)**

Board of Directors
Rhode Island Airport Corporation

This report is intended solely for the information and use of the Board of Directors, management, and the Rhode Island Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

September 9, 2002