

June 8, 2017

CONFIDENTIAL

The Board of Directors
Roosevelt Island Operating Corporation

Dear Board Members:

We have completed our audit of the financial statements of the Roosevelt Island Operating Corporation (RIOC) for the year ended March 31, 2017. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose. We now present for your consideration our comments and recommendations based upon observations made during our audit.

This report is intended solely for the information and use of the Board of Directors, management and others within RIOC.

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Information Technology Concerns

Disaster Recovery Plan (DRP) - RIOC does not have a disaster recovery plan in place. A DRP is a business continuity plan to ensure that operations, such as communications and data recovery will not be seriously disrupted in relation to a disaster, such as flooding or fire. We recommend that management assess its Information Technology capabilities during such an emergency and develop and implement a DRP, which should include an annual test to ensure the plan is working.

Data Recovery - We noted that data is saved only in the administrative office, with no data backup off site. We recommend that management review its backup procedures to ensure that data can be recovered timely. Backup recovery options with its software vendors may be considered in this process.

Cyber Security - RIOC does not have a formal cyber security policy as recommended by the Governor. We recommend that the Board consider implementing a policy, which would include the notification, training and monitoring of all employees.

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We take this opportunity to thank the staff of the Roosevelt Island Operating Corporation for the courtesy and cooperation extended to us during the audit. If you have any questions regarding the foregoing comments or wish any assistance in their implementation, please contact us at your convenience.

Very truly yours,

EFPR GROUP, CPAs, PLLC

A handwritten signature in black ink, appearing to read 'D. Zimmerman', written over a horizontal line.

Douglas E. Zimmerman, CPA
Partner
Chief Operating Officer