

---

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH INVESTMENT GUIDELINES**

The Board of Directors  
Roosevelt Island Operating Corporation

We have audited Roosevelt Island Operating Corporation's ("RIOC") compliance with the State Comptroller's Investment Guidelines as required by Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York during the year ended March 31, 2012. Management is responsible for RIOC's compliance with those requirements. Our responsibility is to express an opinion on RIOC's compliance based on our examination.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and State of New York Investment Guidelines for Public Authorities. Those standards and State of New York Comptroller's Investment Guidelines for Public Authorities require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on investment compliance occurred. An audit includes examining on a test basis, evidence about Roosevelt Island Operating Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Roosevelt Island Operating Corporation's compliance with those requirements.

In our opinion, Roosevelt Island Operating Corporation complied, in all material respects, with the aforementioned requirements for the year ended March 31, 2012.

This report is intended solely for the information and use of the board of directors, management of the Corporation and appropriate officials of the State of New York, and is not intended to be and should not be used by anyone other than these specified parties.

*Dadia Valles Vendiola LLP*

Elmhurst, New York  
May 25, 2012