



THE ROOSEVELT ISLAND OPERATING CORPORATION

Public Authority Annual Report

Fiscal Year Ended March 31, 2012

Background

The Roosevelt Island Operating Corporation of the State of New York ("RIOC") is a public benefit corporation and a political subdivision of the State of New York. RIOC was created by the New York State legislature, in 1984, to take responsibility, pursuant to a General Development Plan (GDP), for the development and operation of the 147 acres comprising the former Welfare Island, located in New York City's East River. RIOC assumed the role of the New York State Urban Development Corporation as lessee under a 99-year Master Lease (running until 2068) from the City of New York.

The GDP, which has been amended from time to time, provides for the development of housing, shops and community facilities for a mixed income, handicap accessible, residential neighborhood. As an island community, Roosevelt Island requires specialized operations and capital infrastructure maintenance such as an aerial tramway, comprehensive garbage compacting system and seawall improvements. RIOC supplements the very basic services provided by the City of New York, and provides specialized operations and capital improvements.

Pursuant to its enabling legislation, the RIOC Board of Directors is composed of nine members including the Commissioner of the New York State Division of Housing and Community Renewal, who serves as the chair; the New York State Director of the Budget; and seven public members nominated by the Governor of the State of New York with the advice and consent of the New York State Senate. Of the seven public members, two members are recommended by the Mayor of New York City, and five members must be residents.

I. Mission Statement

Created by the State of New York as a public benefit corporation, it is the mission of the Roosevelt Island Operating Corporation to plan, design, develop, operate, maintain and manage Roosevelt Island.

Public Benefit

The Corporation is a political subdivision of the State of New York and additional stakeholders include the City of New York, residents, students, developers and commercial operators, workers and visitors to Roosevelt Island (the "Island"). The Corporation's stakeholders benefit from the development and preservation of properties and open spaces, as well as sharing in the economic growth of the Roosevelt Island community.

**Roosevelt Island
Operating Corporation**
of the State of New York
591 Main Street
Roosevelt Island, NY 10044
(212) 832-4540
rioc.ny.gov

Andrew M. Cuomo
Governor

Leslie Torres
President
Chief Executive Officer

Fernando Martinez
Vice President
Operations

Steven Chironis
Vice President
Chief Financial Officer

Board of Directors
Darryl C. Towns
Chairperson
Fay Fryer Christian
Katherine Teets Grimm
Jonathan Kalkin
David Kraut
Robert L. Megna
Howard Polivy
Michael Shinozaki
Margaret Smith

The Roosevelt Island Operating Corporation accomplishes its mission by practicing the following core values:

- **Service**

We are committed to providing services that enhance the Island's mixed-use residential community, including public transportation, public safety, public works and parks and recreation.

- **Preservation**

The Corporation promotes the preservation, enhancement, and sustainable use of the Island's historical landmarks and other structures and open spaces.

- **Environmental Responsibility**

All new development, as well as maintenance of parks, public spaces, and other property under the Corporation's stewardship strives to employ the latest, cost-effective, high-performance environmental designs and techniques available.

- **Public Safety**

We are committed to protecting and serving the community by providing a safe and secure environment and enforcing local, State and Federal laws.

- **Communication and Transparency**

We are committed to effectively communicating with our stakeholders and undertake to be open, honest and accountable in our relationships with everyone we work with and with each other.

- **Fiscal Responsibility**

We are committed to managing the Corporation's resources with fiscal responsibility and efficiency through a single comprehensive process that is aligned with the Corporation's strategic plan, without reliance on State subsidies.

- **Innovation**

We thrive on creativity and ingenuity and strive to employ new, unique and innovative solutions to accomplish our mission.

- **Partnerships**

We strive to develop strategic partnerships with commercial enterprises, nonprofit organizations and institutions in the public and private sectors to meet the needs of our stakeholders and carry out our mission.

- **Governance**

The Corporation ensures good governance through compliance with its enabling legislation, corporate By-laws, General Development Plan, contractual obligations and all applicable Federal, State, and local laws.

Date Adopted: December 14, 2011

I. (i) Performance Goals:

- To promote, develop, and maintain the mixed-income residential community on Roosevelt Island.
- To provide an appropriate level of services to develop and maintain public facilities, open spaces and commercial facilities.
- To ensure good governance through compliance with its enabling legislation, corporate By-laws, General Development Plan, contractual obligations and all applicable Federal, State, and local laws.
- To manage the Corporation's resources with fiscal responsibility and efficiency through a single comprehensive process that is aligned with the Corporation's strategic plan and to continue to operate without reliance on State subsidies.
- To provide a safe environment for the public and the Corporation's employees.
- To maintain and enhance the physical conditions of the Corporation's public facilities and open spaces.
- To promote a sustainable, innovative environment and to strive for island-wide green initiatives.
- To effectively communicate with all stakeholders.
- To partner with businesses, industry leaders and other government agencies to meet the needs of the Corporation's stakeholders.

I. (ii) Performance Measurement Report

See Attachment "A"

II. OPERATIONS AND ACCOMPLISHMENTS

On December 15, 2010, The Board of Directors approved the Corporation's Budget FY 2011/2012 & Five Year Cash Projection reflecting a projected "Operating Profit before Depreciation of \$2,633,474 and a Operating Deficit after depreciation of (\$622,526)" and "Capital Expenditures for the Five Years Ending March 31, 2016" of \$41,185,000.

The Tram Modernization project was substantially completed and back in operation on November 30, 2010. The Tram stations improvements are scheduled to be completed by the end of 2012. The infrastructure improvement was funded through a \$15 million grant from the State of New York and \$10 million from RIO. The dual Tram system now better meets the transportation needs of the residents and visitors: more passengers are shuttled quickly and safely; there is greater availability — the system allows for one cabin to continue operations while the other is down for preventive maintenance; and it is more reliable with redundant generators to power the system. As a result of these increased efficiencies and capabilities,

ridership on the Tram is increasing. During the fiscal year ended March 31, 2012, Tramway revenue exceeded the budget by \$553,891 or 15%.

The construction of the Franklin D. Roosevelt Four Freedoms Park, located at the southern tip of the island, is progressing as scheduled. Phase I is 100% complete. Phase II was accelerated and is about 90% complete with expected completion by June 2012. Phase III is approximately 40% complete and is expected to be completed by fall 2012. The developer, Franklin and Eleanor Roosevelt Institute, "FERI", estimates that the entire project, phases 1-3, will cost approximately \$41,023,675, whereby the majority will come from private funds raised by FERI. Funds for Phase I have been secured from New York City, \$4,738,000; New York State, \$4,000,000; as well as private donations in the amount of \$6,905,000. Funds for Phase II consist of appropriations from New York State, \$2,000,000; New York City, \$5,000,000; the Manhattan Borough President's Office, \$500,000; and private donations of \$12,826,704. Funds for Phase III consist of a Federal appropriation, \$471,609; New York City, \$1,000,000; as well as private donations in the amount of \$6,081,700. The opening of this meritorious site — amongst significant other merits the only memorial dedicated to the former President in his home state — will be a destination attraction for international and national visitors, thereby increasing visitor traffic to Roosevelt Island.

The development of Southpoint Park is progressing. Phase I, which include the stabilization of the Renwick Ruins, was completed and Phase II has been substantially completed; the park is open to the public. The \$13,300,000 project is funded by appropriations from the City of New York for \$4,500,000, the State of New York for \$4,400,000, and \$4,400,000 from RIOC. The park significantly enhances the availability of vibrant open space to the community, while naturally benefiting in usage from the scores of visitors that the aforementioned Franklin D. Roosevelt Four Freedoms Park will attract.

The revitalization of Main Street and improvement of the retail businesses are in progress. On August 1, 2011, RIOC entered into a Master Sublease Agreement with Hudson/Related Realty LLC to redevelop, improve, market, lease and professionally operate the Retail Spaces controlled by RIOC. RIOC receives an annual guaranteed rent of \$900,000 — escalating by 2% annually beginning on the first anniversary of the Commencement Date for the first five years and 2.5% annually thereafter — as well as participation in the profits of the Master Sublessee. Hudson/Related Realty LLC has recently confirmed the execution of new leases, which will soon bring new businesses to Main Street.

Six (6) of the anticipated nine (9) buildings of the Southtown Development Project have been completed. The developer, Hudson/Related Joint Venture, has an option to develop the remaining three (3) that expires December 31, 2012. Should development fail to occur within the expected timeframe, RIOC is protected by a letter of credit in the amount of \$1,420,800. The downturn in the housing market may delay the development of the three buildings. However, RIOC believes that the development will occur as the economy recovers and the housing market rebounds.

During the late summer of 2011, Roosevelt Island weathered Hurricane Irene. RIOC has identified various sites on the island, including sections of the seawall, which incurred damages during the storm. RIOC worked with the NYS Office of Emergency Management and FEMA to identify eligible projects, upon which RIOC must expend funds — during the course of repair work — in order to qualify for Federal Aid. As repair work is completed, the eligible costs are

submitted to FEMA/OEM for review and approval. Once approved, the Corporation will receive the Federal share of the eligible costs as a reimbursement. To date, FEMA has estimated damages of \$548,000 and RIOC estimates its reimbursement of expenses to be approximately \$414,000.

RIOC continues to implement its five-year capital management plan. A rehabilitation project on the Motorgate project including, but not limited to, work such as parking deck waterproofing and construction of a steel wall enclosure for open areas of the garage has led to the reopening of spaces that had been previously closed — thereby increasing the number of revenue producing parking spaces. Phase 1 of the wireless security camera system has been completed and Phase II is in progress. Projects slated for fiscal year 12/13 include, but are not limited to: Renovations at the Tram station, LED lighting installation in the Motorgate garage, seawall railings and wall repairs, and the installation of a slate roof on the Good Shepherd community center.

III. FINANCIAL REPORTS

III. (i) Audited Financials.

The audited financial reports are attached – see Attachment “B”. Below is an overview of the statement of revenue, expenses and changes in fund net assets, and the statements of assets.

RIOC’s statements of revenues, expenses and changes in fund net assets are used to report changes in the net assets, including depreciation expense. Note that revenues reported here are based on a standard of recognition whereby revenues is recorded when earned. The statements of revenues, expenses and changes in fund net assets detail program revenues by major source and expenses by natural classification and indicate the change in net assets.

RIOC’s total revenues for the year ended March 31, 2012 amounted to \$20,846,903, which includes \$20,583,270 in revenues identified as program revenues and \$263,633 of non-program specific revenue, primarily interest income earned on investments. During the fiscal year ending March 31, 2012, operating revenues increased by \$3,158,255 or 18% over the last fiscal year. The increased operating revenue is attributed to the Tramway revenue, which increased by \$3,301,021 or 331%. The dramatic increase in Tramway revenue is due to the Tramway operating for 12 months during fiscal year 2012 versus 4 months for fiscal year 2011. The Tramway was out of service for 8 months in fiscal year 2011 for modernization. The new dual tram system provides higher capacity, faster, safer and smoother rides, and no downtime resulting in increased ridership and revenues. Residential fees decreased by \$188,414 or 18% primarily due to a decrease in condo sales and transactions. Interest income declined by \$110, 751 or 30% due to the significant drop in the interest rate.

RIOC’s total Operating expenses were \$21,567,047 in 2012 and \$18,871,719 in 2011, including depreciation of \$3,436,043 and \$3,336,240, respectively. For the fiscal year ending March 31, 2012, total operating expenses before depreciation increased by \$2,595,525 or 17% over the last fiscal year ending March 31, 2011. The major contributor to the increased operating expense is the management fee, which increased by \$2,285,393 or 128%. The dramatic increase in management fees is due to the Tramway operating for 12 months during fiscal year 2012 versus 4 months for fiscal year 2011, wherein Tramway operating expense management fee increased by \$2,264,800 or 197%. Professional and legal services increased by \$364,830 or 109% mainly due to leasing and housing activities.

The statement of revenues, expenditures and changes in fund balances using the modified accrual basis, reported a decrease of (\$720,144) to an ending balance of \$80,070,705 at March 31, 2012

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NETS ASSETS
MARCH 31, 2012**

THE ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statement of Net Assets
March 31, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Operating revenues:			
Residential fees	\$ 878,320	\$ 1,066,734	-18%
Ground rent	9,174,109	8,801,291	4%
Commercial rent	1,296,141	1,438,078	-10%
Tramway revenue	4,297,891	996,870	331%
Public safety reimbursement	1,613,297	1,579,764	2%
Transport/parking revenue	2,485,613	2,546,365	-2%
Interest income	263,633	374,384	-30%
Other revenues	837,899	885,162	-5%
Total operating revenues	<u>20,846,903</u>	<u>17,688,648</u>	18%
Operating expenses:			
Personal services	9,795,206	9,899,587	-1%
Insurance	1,061,546	1,104,969	-4%
Professional and legal services	699,139	334,309	109%
Management fees	4,072,518	1,787,125	128%
Telecommunications	115,029	89,099	29%
Repairs and maintenance	382,153	415,273	-8%
Vehicles maintenance	318,719	260,456	22%
Equipment purchases/lease	112,977	103,367	9%
Supplies/services	1,039,350	999,169	4%
Other expenses	534,367	542,125	-1%
Total operating expenses excluding depreciati	<u>18,131,004</u>	<u>15,535,479</u>	17%
Operating income before depreciation	2,715,899	2,153,169	26%
Depreciation expenses	<u>3,436,043</u>	<u>3,336,240</u>	3%
Change in net assets	(720,144)	(1,183,071)	39%
Capital contributions for stabilization of Renwick Ruins	29,113	480,811	-94%
Total net assets, beginning of year	<u>80,761,736</u>	<u>81,463,996</u>	-1%
Total net assets, end of year	<u>\$ 80,070,705</u>	<u>\$ 80,761,736</u>	-1%

On RIOC's statement of assets at March 31, 2012, total assets of \$113,529,621 exceeded total liabilities of \$33,458,916 by \$80,070,705 (total net assets). Total assets are comprised of capital assets (e.g., buildings, machinery and equipment) totaling \$67,090,562, cash and cash

equivalents totaling \$42,210,163 and other assets of \$4,228,896. Liabilities are comprised of accounts payable of \$457,249, deferred revenue of \$30,437,919, other post-employment benefits of \$2,046,344, and other liabilities totaling \$517,404. Deferred revenue represents the net present value of ground rent revenue received for the Southtown and Octagon development projects that will be recognized over their respective lease terms. Of total net assets, \$11,113,352 is available to be used to meet ongoing capital obligations. Additionally, \$1,866,791 is available for ongoing operational expenses.

STATEMENTS OF NET ASSETS

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Current and other assets	\$ 46,439,059	\$ 48,103,655	-3%
Capital assets, net	67,090,562	66,395,699	1%
Total Assets	<u>\$ 113,529,621</u>	<u>\$ 114,499,354</u>	-1%
Liabilities	<u>\$ 33,458,916</u>	<u>\$ 33,737,618</u>	-1%
Net assets:			
Investment in capital assets	\$ 67,090,562	\$ 66,395,699	1%
Restricted for capital projects	11,113,352	13,743,612	-19%
Unrestricted	1,866,791	622,425	200%
Total net assets	<u>\$ 80,070,705</u>	<u>\$ 80,761,736</u>	-1%

III. (ii) Grant and Subsidy Programs

Roosevelt Island Operating Corporation provided public purpose grants totaling \$275,000 per year for the years ended 2012 and 2011. The Roosevelt Island Youth Center was awarded \$175,000 each year to help fund operating expenses. This is a contractual obligation between Roosevelt Island Operating Corporation and Roosevelt Landings which was agreed to as one of the terms of Roosevelt Landings Lease agreement (the Youth Center's Landlord) in exchange for free rent and utilities. The remaining grants of \$100,000 are awarded to various Roosevelt Island based not-for-profits that must apply each year and require Board approval.

III. (iii) Operating and Financial Risks

Roosevelt Island Operating Corporation is self-sustaining: it generates sufficient revenues from long term ground and commercial leases – residential fees, ground rent, commercial rent, and public safety fees; service fees from its Tramway and Bus Operations; and other revenues to fully meet its operational expenses. Roosevelt Island Operating Corporation neither borrows nor depends on appropriations and thus is minimally exposed to market, interest rate, and economic risks.

For the long term, the development agreement for Southtown buildings five through nine between Hudson Related Joint Venture and RIOC included a contingent de-designation (cancellation of project or portion of) fee of \$2,252,198. As of the date of this report, Southtown building five and six were completed within the agreed upon timeframe, and resulted in the pro-rata reduction of the de-designation fee to \$1,420,800. The remaining Southtown buildings

seven, eight and nine may not be developed before the determination date of December 31, 2012, which would result in de-designation fee income to the corporation. The agreement is collateralized by a letter of credit issued by Deutsche Bank Trust Company, NA in the amount of \$1,420,800 maturing on August 15, 2012, to be renewed annually.

Should the development of Southtown buildings five through nine not happen, Roosevelt Island Operating Corporation projected cash reserves will be adversely affected. However, it is management's belief that if Southtown buildings five through nine did not occur, there would be other subsequent development opportunities.

III. (iv) Bond Ratings

Roosevelt Island Operating Corporation does not issue bonds.

III. (v) Long-term Liabilities

III. (v)(a) Leases

Roosevelt Island Operating Corporation has agreements with four housing companies operating on the Island to sublease commercial space occupied by the housing companies. Rent expense for the years ended March 31, 2011 and 2010 approximated \$86,000 per year

III. (v)(b) Deferred Revenue

As of March 31, 2012, deferred revenue in the amount of \$30,437,919 reported in the statements of net assets represents amounts collected in advance for lease-related payments related to subsequent fiscal years. These amounts will be recognized as income on an annual basis over a period of the remaining fifty-seven years on the ground lease for the City of New York expiring in 2068 under the accrual basis of accounting.

<u>Buildings</u>	<u>Balance at April 01, 2011</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance at March 31, 2012</u>
Octagon	2,734,715		(47,354)	2,687,361
Southtown Bldg #1	1,838,501		(31,836)	1,806,665
Southtown Bldg #2	1,754,328		(30,378)	1,723,950
Southtown Bldg #3	3,749,154		(64,920)	3,684,234
Southtown Bldg #4	4,888,060		(84,642)	4,803,418
Southtown Bldg #5	6,241,998		(108,087)	6,133,911
Southtown Bldg #6	9,607,672		(166,367)	9,441,305
Sportspark Field		157,074		157,074
Total	<u>\$ 30,814,428</u>	<u>\$ 157,074</u>	<u>\$ (533,583)</u>	<u>\$ 30,437,919</u>

III. (v)(c) Postemployment Benefits Other Than Pensions

Roosevelt Island Operating Corporation provides continuation of medical coverage to administrative, non-represented employees (those categorized as M/C) that retire at age 55 or older with five (5) years of service with the Corporation or a combination of service with a

previous NYS public employer and a minimum of one (1) year service with RIOC. The employee must meet the requirements for retiring as a member of the NYS Employees Retirement System, and the employee must be enrolled in NYSHIP. The Corporation contributes 90% for employees and 75% for an employee's spouse.

The Corporation provides certain health care benefits for retired employees. Substantially all of the Corporation's non-union employees may become eligible for these benefits if they reach the normal retirement age, of the respective tier of the New York State Employees' Retirement System, while working for the Corporation. The Corporation, on an annual basis, accrues the cost which represents the present value of these benefits to be paid over the estimated lives of the retirees.

Total expenditures charged to operations for the years ended March 31, 2012 and 2011 amounted to \$461,412 and \$488,603, respectively. At March 31, 2012, the liability for retired employees included in non-current accrued fringe benefits amounted to \$2,046,344.

The Roosevelt Island Operating Corporation currently pays for post-retirement health care benefits on a pay-as-you-go basis and has set aside assets in the amount of \$2,046,344 to meet this long term obligation.

IV. DEBT SCHEDULE

Roosevelt Island Operating Corporation does not issue debt and thus does not have any bonds and notes outstanding.

V. COMPENSATION SCHEDULE

<u>NAME</u>	<u>TITLE</u>	<u>SALARY</u>	<u>TOTAL COMPENSATION</u>
Leslie Torres	President/CEO	\$150,355	\$150,520
Kenneth Leitner	VP General Counsel	\$146,326	\$99,052
Fernando Martinez	VP Operations	\$140,000	\$140,153
Donald Lewis	VP General Counsel	\$139,994	\$58,844
Steven G. Chironis	VP / CFO	\$136,965	\$137,115
Alexander Snedkov	Director Engineering	\$105,000	\$106,760
Michael Moreo	Director IT	\$104,931	\$106,863
W. Keith Guerra	Director Public Safety	\$104,464	\$106,272
Muneshwar Jagdharry	Controller	\$100,915	\$101,026

V. (i) Biographical Information

Biographical information for all board members and specified employees are attached – see Attachment "C".

VI. PROJECTS

Roosevelt Island Operating Corporation did not undertake any Industrial Development Agency Projects (IDA Projects).

RIOC continues to implement its five-year capital management plan. A rehabilitation project on the Motorgate project including, but not limited to, work such as parking deck waterproofing and construction of a steel wall enclosure for open areas of the garage has led to the reopening of spaces that had been previously closed — thereby increasing the number of revenue producing parking spaces. Phase 1 of the wireless security camera system has been completed and Phase II is in progress. Projects slated for fiscal year 12/13 include, but are not limited to: Renovations at the Tram station, LED lighting installation in the Motorgate garage, seawall railings and wall repairs, and the installation of a slate roof on the Good Shepherd community center.

VII. REAL PROPERTY

VII. (i) Real Property Disposition

As listed in Figure 1 (below), during the Fiscal Year 2011-12, the following disposition of property occurred:

On August 1, 2011, RIOCI entered into a Master Sublease Agreement (“Agreement”) for a term of 30 years with Hudson/Related Realty LLC to redevelop, improve, market, lease and professionally operate the retail spaces controlled by RIOCI. Under the terms and conditions of the Agreement, RIOCI will receive annual rent comprised of “Guaranteed Rent” and “Additional Rent”.

The annual Guaranteed Rent of \$900,000 escalates by 2% annually beginning on the first anniversary of the Commencement Date (August 1, 2011) for the first five years and 2.5% annually thereafter. The annual Additional Rent is comprised of a “Participation Rent”, Payments in Lieu of Mortgage Recording Tax, Payments in Lieu of Sales Taxes, as well as any charges assessed pursuant to the Agreement.

The Participation Rent is equal to fifty percent (50%) of the difference between (a) income collected by Hudson/Related for the current lease year, less (b) the sum of the following:

- (i) Repayment of any installments of Ground Rent/TEP Payments;
- (ii) Payment of any accrued and unpaid Guaranteed Rent for prior lease years;
- (iii) Payment of the Guaranteed Rent for the current lease year;
- (iv) Repayment of Hudson/Related’s contractual obligation per the Agreement to invest no less than \$2,365,000 in the aggregate over the first five years of the Agreement (“Invested Capital”) — for such improvements as the installation of new or repair of existing storefronts in the leased property, upgrading signage, lighting, installation of wayfinding signage, and other exterior improvements designed to enhance the physical attractiveness of the leased property and the areas of Main Street immediately surrounding it — together with accrued interest thereon at the rate of nine percent (9.0%) per annum, compounded annually;
- (v) Payment of current Operating Expenses;
- (vi) Payment to Hudson/Related of any outstanding Operating Deficits funded by Hudson/Related.

Figure 1

Number	Name	Street	Square Footage	
			Bsmnt	2-Floor
Motorgate				
682	Space Plus/HomeGoods			448
686	Gristedes-Supermarket	25,172		
694	US Post Office	9,680		
	Subtotal	34,852	0	448
Westview				
591	RIOC Offices	1,780	888	1,996
599C	We are One (Clothing)	1,320		
599D	Accounting/Finance	1,320		
605	Vacant (Formerly Grog Shop)	1,546	787	
609	China 1 - Restaurant	1,530	694	
615	Boy Scouts - Store/Office	776		
619	Amalgamated Bank	2,974		
	Subtotal	11,246	2,369	1,996
Island House				
549	Trellis/Coffee Shop	2,364	1,814	
559	Vacant	568	286	
563	Island Newsstand	2,229	1,844	
567	RI Cleaners	2,203	962	
579	M&D Delicatessen	2,090	1,058	
	Subtotal	9,454	5,964	0
Eastwood				
504	Vacant School/Misc	5,000	1,378	5,740
520	Thrift Shop	3,835		
526	NY Public Library	2,322		
530	Vacant-Retail/Office	1,158		
532	Vacant-Retail/Office	1,050	1,144	
544	RI Hardware/Video	2,172	710	910
546A	Vacant-Retail/Office	686		1,280
548	Public Safety-Retail/Office	420		
550	Public Safety-Retail/Office	480		
552	Public Safety-Retail/Office	1,803	1,081	
564	Cabrini Chapel	914		
568	Vacant-Store/Office	505		
570	RI Nail Salon	816	205	
	Subtotal	21,161	4,518	7,930
Rivercross				
503	Vacant	1,978	300	
507	Dr. Flanigan	808		
513	Vacant-Retail/Office	920		
521	Vacant	1,887	228	
523	Beauty Salon of RI	1,294		
527	Riva Gallery	1,630	816	
	Subtotal	8,517	1,344	0
851	Day Spring Church			
	Subtotal	4,810	620	
Total Square Footage		90,040	14,815	10,374

VII. (ii) Real Property Acquisition

Roosevelt Island Operating Corporation did not acquire any real property.

VII. (iii) Real Property Owned

<u>Property</u>	<u>Net Asset Value</u>	<u>(1)</u>
AVAC	\$ 1,173,022	
Blackwell House	\$ 1,319,922	
Boathouse	\$ 17,519	
Eastwood	\$ 70,394	
Good Shepherd Chapel	\$ 693,630	
Island House	\$ 41,708	
Lighthouse	-	(2)
Minischools	\$ 963,626	
Motorgate	\$ 4,206,467	
Octagon	-	(2)
Post Office	\$ 15,400	
Renwick Ruins	\$ 4,353,556	
Rivercross	\$ 40,065	
Supermarket - Gristedes	\$ 55,134	
Sportspark	\$ 195,138	
Strecker Lab	-	(2)
Steamplant	\$ 53,687	
Tennis Bubble	\$ 779,605	
Tramway	\$ 20,190,279	
Westview	\$ 63,203	
Total	<u>\$ 34,232,354</u>	

Note:

(1) Fair Market Value is currently not available

(2) Historical Landmarks - undetermined

VIII. CODE OF ETHICS

As a New York State public benefit corporation, RIOC is vested with a public trust. In order to promote and maintain governmental integrity, each officer, director, and employee of RIOC must adhere to the standards and code of ethics set forth in the Code of Ethics approved by the Board of RIOC on March 25, 2010 (see Attachment "D") and in the State Code of Ethics and the Ethics in the Government Act.

IX. ASSESSEMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE AND PROCEDURES

Each department manager is required to complete a functional identification form and inherent risk review form on an annual basis. The agency directors are required to review and make assessments of the risks for each department based on the forms submitted by each manager. For areas deemed high risk, a corrective action plan is developed and implemented. For the 2011-12

review period no high risk-activities were identified, however all functions were reviewed by managers, directors, and supervisors.

X. ENABLING LEGISLATION

On September 4, 1984, The Roosevelt Island Operating Corporation (“RIOCI”) was organized pursuant to Chapter 899 of The New York Unconsolidated Law as a public benefit corporation to take responsibility, pursuant to a General Development Plan (GDP), for the development and operation of the 147 acres comprising the former Welfare Island, located in New York City's East River – see Attachment “E”.

XI. AUTHORITY AND ITS BOARD STRUCTURE

Pursuant to its enabling legislation, the RIOCI Board of Directors is composed of nine members including the Commissioner of the New York State Division of Housing and Community Renewal, who serves as the chair; the New York State Director of the Budget; and seven public members nominated by the Governor of the State of New York with the advice and consent of the New York State Senate. Of the seven public members, two members are recommended by the Mayor of New York City, and five members must be residents.

XI. (i) Board Committees

See Attachment “F”.

XI. (ii) Board Meetings and Attendance

See Attachment “G”.

XI. (iii) Major Authority Units

Roosevelt Island Operating Corporation is comprised of the following functional departments: Administration, Finance, Human Resources, Information Technology, Legal, Community Relations, Engineering, Public Safety, Island Operations, Grounds, Maintenance, Warehouse, Bus Operations, Motor Pool, Parks & Recreation, Permits & Film, Sportspark.

XI. (iv) Number of Employees

Roosevelt Island Operating Corporation has 120 employees (103 F/T and 17 P/T).

XII. CHARTER AND BY-LAWS

See Attachment “H”.

XIII. MATERIAL CHANGES IN OPERATIONS AND PROGRAMS

Roosevelt Island Operating Corporation has not made any material changes to its operations and/or programs.

XIV. FINANCIAL PLAN

XIV. (i) Current and Projected Capital Budget

See Attachment “I”.

XIV. (ii) Operating Budget Report – Actual vs. Budgeted

See Attachment “J”.

XV. BOARD PERFORMANCE EVALUATION

Pursuant to Public Authorities Law sections 2800(1)(a)(15), 2800(2)(a)(15), and section 2824(7), the Annual Board of Directors Evaluations have been completed for the fiscal year.

XVI. NON-COMPETITIVE ACQUISITIONS

See Attachment “K”.

XVII. MATERIAL PENDING LITIGATION

RIOC is a defendant in various lawsuits. In the opinion of RIOCI’s legal counsel, these suits are without substantial merit and should not result in judgments which in the aggregate would have a material adverse effect on RIOCI’s operations.

However, RIOCI has a claim from the contractor for the modernization of the Roosevelt Island Aerial Tramway for additional compensation in the amount of \$18,794,956 (on top of the fixed fee contracted price of \$16,693,894) on account of various items of alleged extra work and alleged interferences to its work. RIOCI believes that these claims are without merit.

In addition, the contractor also claims a Contract Sum balance of \$1,995,230 under the Design/Build Agreement. The claimed Contract Sum balance is disputed by RIOCI for reason of various incomplete items of Work and contractor’s failure to return the Tramway to service within the Contract Time.

The Corporation's legal counsels are reviewing these claims and have not yet formed an opinion on these matters

ATTACHMENTS

- A.....Performance Measurement Report
- BManagement Letter and Audited Financials
- C.....Biographical Information
- D.....Code of Ethics
- E..... Copy of legislation
- F.....Board Committees
- G.....Board Meetings and Attendance
- H..... Charter and By-Laws
- I..... Current and Projected Capital Budget
- J.....Operating Budget
- K.....Non-Competitive Acquisitions



Roosevelt Island Operating Corporation Performance Measure Report

1. To promote, develop, and maintain the mixed-use residential community on Roosevelt Island.

Pursuant to the guidelines specified in the Roosevelt Island General Development Plan, the Roosevelt Island Operating Corporation (“RIOCI”) has promoted the development of approximately 5,500 units of housing, with the expected development of approximately 500 additional units. Of the built out units of housing stock, approximately 58% are affordable under Federal Section 8, NYS Mitchell-Lama, NYC Inclusionary Housing Programs or qualifying units sold or rented as Middle Income Affordable Housing (see Figure 1 below).

Building	Address	Unit Count	To Be Developed	Total	Number Affordable	Percentage Affordable
Manhattan Park	2-40 River Road Roosevelt Island, NY 10044	1,107		1,107	222	20%
Roosevelt Landings	500-580 Main Street Roosevelt Island, NY 10044	1,003		1,003	1,003	100%
The Octagon	888 Main Street Roosevelt Island, NY 10044	500		500	100	20%
Island House	543-585 Main Street Roosevelt Island, NY 10044	400		400	400	100%
Southtown	405-475 Main Street Roosevelt Island, NY 10044	1,202	540	1,742	697	40%
Westview	587-625 Main Street Roosevelt Island, NY 10044	371		371	371	100%
Rivercross	501-541 Main Street Roosevelt Island, NY 10044	377		377	377	100%
Total:		4,960	5,500	5,500	3,170	58%

Note: Unit Counts and Percentages are Approximate Values.

Figure 1

Of the total 3,170 affordable units developed above, 2,151 units (68% of the affordable units) were developed through the NYS Mitchell Lama (ML) program in the mid to late 70’s. The ML developers have the option after twenty years to exit the program and convert to a market rate building. As of the date of this report, Roosevelt Landings (Formerly Eastwood) has exited the ML program whereby existing tenant rents will continue to be subsidized but units that become vacant will convert to market rate. Approximately 20% of the units have been converted to market rate units. The remaining three ML buildings are in various stages of negotiation whereby a “30 Year Affordable Program” is being sought in exchange for subsidized ground lease extensions.

RIOCI has also engaged in capital projects to preserve the Island’s landmarks, including: the Blackwell Island Lighthouse, the Octagon Tower, the Strecker Memorial Laboratory, the Smallpox Hospital (Renwick Ruin), Blackwell House, and the Chapel of the Good Shepherd. Maintenance of these structures is prioritized in the

capital plan, and currently additional work is being performed on Blackwell House — to be completed in June 2013 — as well as the Chapel roof.

For a detailed overview of RIOC's capital projects, please see the five-year "RIOC Capital Management Plan" (attached).

2. To provide appropriate level of services which develop and maintain public facilities, open spaces, and commercial facilities.

As part of its mission the Corporation has fostered the development of this 147-acre island by promoting public facilities including a transit system, pedestrian walkways, open spaces, and a street system. The initial planners promoted the development of a centralized parking facility that currently provides 1,522 parking spaces. A fourth quadrant may be required as part of development of Southtown 7-9 that would increase garage parking to approximately 2,000 parking spaces.

The Tram Modernization project was substantially completed and the Tram was back in operation on November 30, 2010. The Tram stations improvements are scheduled to be completed by the end of 2013. The infrastructure improvement was funded through a \$15 million grant from the State of New York and \$10 million from RIOC. This important transportation mode shuttles approximately 2,200,000 riders per year between Roosevelt Island and Manhattan. During the fiscal year ended March 31, 2012, Tramway revenue exceeded the budget by \$553,891 or 15%.

Roosevelt Island has a public school, PS / IS 217, which currently has 410 students enrolled. Also, The Child School / Legacy High School, a government funded private school specializing in educating children with special needs, is also located on Roosevelt Island — serving approximately 300 students. The Island is also home to a library, community center, and senior center.

RIOC also promotes recreational activities and has developed the Sportspark that includes a swimming pool, full-size basketball court, ping pong room, and weight room. Open recreational spaces include Lighthouse Park, Octagon Soccer Field, Octagon Pony Field, Capobianco Field, and Firefighters Field and Southpoint Park. The Four Freedoms Park, a memorial to honor President Franklin D. Roosevelt located on the southernmost tip of Roosevelt Island, is scheduled for completion in the fall of 2012. Once completed, it is anticipated that within time, the Memorial will become one of New York City's top tourist destinations.

The infrastructure for basic utilities has been developed, and residential buildings are connected to the Automated Vacuum ("AVAC") facility, an underground network of pipes that disposes of trash, eliminating the need for the majority of curb-side pickup. The Island has a low crime rate, and is protected by members of the RIOC Public Safety Department ("PSD"), which provides a twenty-four-hour-a-day, seven-day-a-week presence on the Island.

The Island has 99,134 square feet of above grade rentable commercial retail space located along the Main Street corridor. This retail space is separated into 35 spaces. RIOC entered into a Master Sublease Agreement ("the Agreement") with Hudson/Related Realty LLC. The retail space has 33,758 square feet of above grade space that is currently vacant or occupied by a public agency, or not-for-profit tenant who is not paying rent — reflecting a 34% vacancy rate. Due to the vacancy rate, RIOC's Net Operating Income has not reached its full potential. The Agreement will alleviate this situation by providing a guaranteed minimum annual payment, as well as a 50/50 split of additional rental income which will be considered "profit sharing".

3. To ensure good governance through compliance with its enabling legislation, corporate By-laws, General Development Plan, contractual obligations and all applicable Federal, State, and local laws.

RIOC has ensured compliance with all applicable provisions of the New York State Public Authorities Law, and maintains ethical guidelines by which officers, directors, and employees must abide. In addition, RIOC has set forth Investment Guidelines, Lobbying Guidelines, Procurement Guidelines, Guidelines Regarding Acquisition and Disposal of Property, By-Laws, Policies for Senior Management, Travel Policies, and Policies on Reporting Misconduct and Protection Against Adverse Personnel Action.

4. To manage the Corporation's resources with fiscal responsibility and efficiency through a single comprehensive process that is aligned with the Corporation's strategic plan and to continue to operate without reliance on State subsidies.

RIOC's operating revenues were sufficient to meet its operating and capital needs for the 2011-12 fiscal year. The capital budget is prioritized to match the Corporation's strategic planning process and revenues have produced reserve funds, which are invested for necessary development and maintenance without relying on State subsidies.

5. To provide a safe environment for the public and the Corporation's employees.

The mission of the Roosevelt Island Public Safety Department ("PSD") is to provide a safe and secure environment for the residents, employees, business owners, community and visitors of Roosevelt Island. PSD is a division of RIOC, and its Public Safety officers are the front-line problem solvers for the Roosevelt Island community. By working closely with the City Police Department's 114th Precinct, with the Fire Department and their Medical Services (EMS), PSD provides a 24-hour a day, seven-day-a-week presence on the Island.

6. To maintain and enhance the physical conditions of the Corporation's public facilities and open spaces.

The dual Tram system now better meets the transportation needs of the residents and visitors: More passengers are shuttled quickly and safely and there is greater availability — the system allows for one cabin to continue operations while the other is down for preventive maintenance — and it is more reliable with redundant generators to power the system.

The development of Southpoint Park is progressing. Phase I, which includes the stabilization of the Renwick Ruins, was completed and Phase II has been substantially completed; the park is open to the public. The \$13,300,000 project is funded by appropriations from the City of New York for \$4,500,000, the State of New York for \$4,400,000, and \$4,400,000 from RIOC. The park significantly enhances the availability of vibrant open space to the community, while naturally benefiting in usage from the scores of visitors that the aforementioned Franklin D. Roosevelt Four Freedoms Park will attract.

7. To promote a sustainable, innovative environment and to strive for island-wide green initiatives.

To limit the congestion caused by excess traffic, RIOC provides bus services — utilizing 7 hybrid-electric buses powered by ultra-low-sulfur diesel fuel, thereby limiting production of greenhouse gases. A transportation planner on the Corporation's staff enhances these services by optimizing route and scheduling efficiencies. The Corporation has also purchased neighborhood electric vehicles to the extent possible to lessen dependence on fossil fuel utilizing vehicles for light duty usage by employees. A feasibility study is currently taking place to install solar panels on the Motorgate garage.

8. To effectively communicate with all stakeholders.

Notices are posted to all stakeholders in public view and on the RIOC web site for all Board of Directors meetings pursuant to the NYS Open Meetings Law. The web site provides relevant information to stakeholders, such as community information and information about the Corporation's operations and finances. Advisories are also sent to stakeholders informing them about emergency situations, traffic/transportation advisories affecting the island, and community events.

9. To partner with businesses, industry leaders and other government agencies to meet the needs of the Corporation's stakeholders.

The fares for stakeholders riding the Aerial Tramway are collected on RIOC's behalf via the MetroCard system through a partnership with New York City Transit, which promotes the efficiency of the system by connecting riders to the mass transit system of the greater urban area. The aforementioned Agreement between RIOC and Hudson/Related is a partnership that will promote utilization of the island's commercial sector, thereby increasing stakeholder's access to goods and services.

RIOC CAPITAL MANAGEMENT PLAN - 5 Year (2007/2008)																																			
(BOARD APPROVED)						Updated March 31, 20112																													
						Notes						Status																							
						Year 1						Year 2						Year 3						Year 4						Year 5					
ITEM						2007-2008		2008-2009		2009-2010		2010-2011		2011-2012		TOTAL		3/31/2012		Remarks															
1	Sports Fields/Parks					\$ 1,176,000	\$ -	\$ -	\$ -	\$ -	\$ -							\$ 1,176,000																	
	Pony field					850,000						Conversion of Natural Field for higher use and night game play						\$ 850,000	Completed																
	Octagon Soccer Field - Fencing					35,000						Access control West side						\$ 35,000	Completed																
	Comfort Station					95,000						Bathrooms Upgrade						\$ 95,000	Completed																
	Rollup Doors/Replacement Bathroom Doors					21,000						Protection of Bathrooms- Motorized Rollup Doors						\$ 21,000	Completed																
	Western Pier					175,000						Framing, Decking replacement, Rail refurbish, Lighting, Stone Refurbish						\$ 175,000	Not Started	Scheduled for 2013/2014															
2	Blackwell House					\$ -	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -							\$ 1,350,000																	
	Plantings						35,000											\$ 35,000	Completed																
	Site/Civil Improvements																																		
	- Repair Electric Panes & Water Damage by Flood						88,000					Grounds improvements - Plantings/Pavers/Lighting						\$ 88,000	Completed																
	Fencing						27,000											\$ 27,000	Completed																
	Interior renovation						\$ 1,200,000											\$ 1,200,000	In-Progress	Design Complete - RFP to be Issued															
3	Main Street and Island-wide Road Improvements					\$ 730,000	\$ 3,060,000	\$ 2,750,000	\$ 1,600,000	\$ 50,000							\$ 8,190,000																		
	Main Street/Tram Road South Upgrade: New Esplanade											Resurface - New Esplanade						\$ 235,000	Completed																
	- Road Work on Main Street					235,000						West Service Drive South of Subway station along waters edge						\$ 125,000	Completed																
	Pedestrian Path Extension West Service Drive					125,000						Asphalt Resurfacing, removal of block						\$ 800,000	Not Started	Not Addressed															
	East/West Esplanade Upgrade								800,000			Wearing Deck Repair - Wearing Deck Replacement after DOT Bridge work						\$ 860,000	Not Started	Scheduled for 2013/2014															
	36th Ave. Bridge Approach Ramp Repair - Deck Repairs					-	110,000			750,000		Road Widening for Bus at Coler/ Octagon						\$ 35,000	Completed																
	North Main Street Road Modification- Coler/ Octagon					35,000						Fire House to Lighthouse Park Repaving and Resurfacing						\$ 2,200,000	In-Progress	Brought Before Ops. Committee															
	North Main Street Repave/ Resurface Road						1,100,000	1,100,000				Road turn to be widen 30'						\$ 85,000	Completed																
	Octagon Cross Drive Widening					85,000						Replacement Basin/Pipe Collapse						\$ 300,000	Completed																
	Storm Water Control - Island Wide					100,000	50,000	50,000	50,000	50,000	50,000	Concrete Sidewalk conversion						\$ 600,000	In-Progress	On-Going Project															
	Sidewalk Replacement- Island Wide							600,000				Upgrade of Sidewalk & Curbs Repairs along Main Street						\$ 2,600,000	Completed																
	Main Street - Asphalt/ Steel Curbs & Side Walk Repairs						1,700,000	900,000										\$ 350,000	Completed																
	Main Street Beautification											Renovation and beautification of vacant retail commercial space						\$ 350,000	Completed																
	- 82 - 8ft Frame Crowd Control Barricade					150,000	100,000	100,000																											
4	Good Shepard Chapel					\$ 35,000	\$ 88,000	\$ 610,000	\$ -	\$ -	\$ -							\$ 733,000																	
	Plaza - Repair					35,000	10,000					Repair worst areas brick Concrete pavers						\$ 45,000	Completed																
	Plaza - Replacement							525,000				Replacement of Brick/Concrete pavers						\$ 525,000	Completed																
	HVAC						78,000					Upgrade/Major Service						\$ 78,000	Completed																
	Vertical Transportation							85,000				Equipment Upgrade/Modernization						\$ 85,000	Completed																
5	Motorgate Parking Facility					\$ 1,084,000	\$ 435,000	\$ -	\$ -	\$ -	\$ -							\$ 1,519,000																	
	Roof Waterproofing over commercial areas											Epoxy Acrylic Coating						\$ 200,000	Completed																
	- Railings, Roof Joint Caulking & Concrete Repair Stairs					200,000						MMA Coating						\$ 140,000	Completed																
	Third Floor Waterproofing over commercial areas					140,000						Railings/Signage						\$ 350,000	Completed																
	Painting - Metal Work					250,000	100,000											\$ 335,000	Not Started	Escalator Decommissioned															
	Escalator Work						335,000					Auto Doors/Glass Replacement						\$ 70,000	Not Completed																
	Atrium Upgrades					70,000						Ramp Approach - Post Office Area - East Side Esplanade- Plaza/Atrium						\$ 145,000	In-Progress	Fixtures Approved - RFP for Install Going Out															
	Under deck Lighting					145,000						Replacement of hollow metal door stairwells and Egress areas 4 Stair Towers						\$ 279,000	Completed																
	Metal Doors & Hardware					279,000																													
6	Facilities/Offices					\$ 1,363,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -							\$ 1,863,000																	
	Repave Bus Parking Area & Approach					270,000						Asphalt Resurfacing						\$ 270,000	Completed																
	Consumables Storage Sheds/Dividers					25,000		500,000				Addition of shed to protect sand/clay/road salt						\$ 525,000	Completed																
	HVAC Upgrade					88,000						Exhaust System reconfigure/upgrade						\$ 88,000	Completed																
	Public Safety Offices					750,000						Renovation/ Restoration 504 Main Street						\$ 750,000	Completed																
	Security System Upgrades					40,000						Smart Card integration/CCTV						\$ 40,000	Completed																
	Sewer Repair - Facilities & Tenant Spaces					190,000						Collapsed Pipe/Volume Correction						\$ 190,000	Completed																
7	Tram					\$ 1,157,000	\$ 3,875,000	\$ 98,000	\$ -	\$ 98,000							\$ 5,228,000																		
	Track Ropes																																		
	- Tramway - Structural Repairs & Maintenance					400,000	1,500,000											\$ 1,900,000	Completed																
	Carrier Cabin Hanger Carriage					500,000	1,500,000											\$ 2,000,000	Completed																
	Haul Rope					25,000	275,000											\$ 300,000	Completed																
	Roller Chain Replacement					75,000	600,000											\$ 675,000	Completed																
	Painting - Metal Work					98,000		98,000			98,000	Railings-structural steel bldg., towers						\$ 294,000	Completed																
	Tram Security																																		
	- Tramway Security System					49,000						CCTV/Access Control						\$ 49,000	Completed																
	Station Monitoring					10,000						Weather Monitoring						\$ 10,000	Completed																
8	Transportation					\$ 120,000	\$ 50,000	\$ 75,000	\$ 100,000	\$ -							\$ 345,000																		
	Maintenance Equipment/Specialty Equipment					120,000	50,000	75,000	100,000			Specialty Equipment/Battery Reconditioning Equip.						\$ 345,000	Completed																
9	AVAC System & Building					\$ 1,114,500	\$ 305,000	\$ 235,000	\$ 40,000	\$ 40,000							\$ 1,734,500																		
	Mechanical/Electrical upgrades					75,000	35,000											\$ 110,000	Completed																
	Replace AVAC Pipe (High Impact Areas)																																		
	- AVAC Pipe Repair w/Travel Charges					54,000		45,000										\$ 99,000	Completed																
	Parking Lot Pavement Restoration					133,000												\$ 133,000	Completed																

RIOCCAPITAL MANAGEMENT PLAN - 5 Year (2007/2008)						Updated March 31, 20112			
(BOARD APPROVED)									
	Year 1	Year 2	Year 3	Year 4	Year 5	Notes	Status	As of	
ITEM	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012		TOTAL	3/31/2012	Remarks
Communication Cabling Repair	15,000	10,000					\$ 25,000	Completed	
Pneumatics Equipment/Valves	80,000	40,000	40,000	40,000	40,000		\$ 240,000	Completed	
Trolley System Upgrade	145,000						\$ 145,000	Completed	
Curtain Wall Replacement (Phased)									
- Install 12 Panels of Aluminum Framing, Safety Glass	150,000	150,000	150,000				\$ 450,000	Completed	
Replace Compactors/ Refuse Containers	70,000	70,000					\$ 140,000	Completed	
Lighting/Security	22,500						\$ 22,500	Completed	
Concrete Repair/Coatings	275,000						\$ 275,000	Completed	
Envac Consultants	95,000						\$ 95,000	Completed	
10 Equipment & Trucks	\$ 719,000	\$ 98,000	\$ -	\$ -	\$ -		\$ 817,000		
Refuse Collection Equipment									
- 2008 Ford F550 Chassis - Garbage Truck	120,000					7-1/2 Yd. Truck	\$ 120,000	Completed	
Facilities/Grounds Vehicles	110,000					Bucket Truck	\$ 110,000	Completed	
Facilities/Grounds Equipment	355,000						\$ 355,000	Completed	
Public Safety Vehicles	30,000					All season Vehicle	\$ 30,000	Completed	
Public Safety Vehicles- Cameras	39,000						\$ 39,000	Completed	
Heavy Equipment - Forklift	65,000					Gas Hyster Replacement	\$ 65,000	Completed	
Heavy Equipment - Earthmoving		98,000				Replacement Holland(s)	\$ 98,000	Completed	
11 Site Amenities	\$ 378,000	\$ 40,000	\$ 55,000	\$ 40,000	\$ -		\$ 513,000		
Bus Shelters	30,000						\$ 30,000	Completed	
Public Safety - Station Booths	30,000						\$ 30,000	Completed	
Miscellaneous									
- 3 Outdoor Cameras - Warehouse	48,000	40,000	40,000	40,000		Replacement of Picnic tables, game tables, garbage cans, benches	\$ 168,000	Completed	
Blackwell Park - Playground Equipment	110,000						\$ 110,000	Completed	
Signage	160,000		15,000			Directional Signage	\$ 175,000	In-Progress	To Be In Conjunction With HR
12 Lighting	\$ 150,000	\$ -	\$ -	\$ -	\$ -		\$ 150,000		
Lighthouse Park - Lighting Replacement	150,000					Lighthouse Feature Fixtures, Pole Replacement & Voltage Change	\$ 150,000	Completed	
13 Seawall	\$ 665,000	\$ 2,615,000	\$ 3,500,000	\$ 1,220,000	\$ 2,000,000		\$ 10,000,000		
Replace railing/grating/stanchions	65,000	1,500,000	1,500,000	1,220,000	2,000,000	Numerous repairs to deterioration of seawall island-wide	\$ 6,285,000	Not Completed	To Be Addressed
Lighthouse Park Seawall Repair									
- Seawall at Lighthouse Park - Repair and Maintenance	550,000					Barge collision damage	\$ 550,000	Completed	
Install rip-rap as per USACOE report		1,000,000	2,000,000				\$ 3,000,000	Not Completed	To Be Addressed
Railing Repair - Island wide	50,000						\$ 50,000	Completed	
Lighthouse Park Retaining Walls		115,000				Replace wood with stone interlock blocks, new game tables	\$ 115,000	Completed	
14 Southpoint	\$ 3,050,000	\$ 3,000,000	\$ -	\$ -	\$ -		\$ 6,050,000		
Phase I Development									
- Phase II/Review & Analysis - Southpoint Park	3,000,000	3,000,000				Represents RIOCC & NYS portion,	\$ 6,000,000	Completed	
Asphalt Resurfacing	25,000					Approach Area	\$ 25,000	Completed	
Security/Fencing Upgrades	25,000						\$ 25,000	Completed	
15 Sportspark Facility	\$ 1,050,000	\$ 975,000	\$ 250,000	\$ -	\$ -		\$ 2,275,000		
Pool Restoration		450,000				Gunite resurfacing, Tile and gutter work, filtration	\$ 450,000	Completed	
Locker Room Rehabilitation	95,000					Tile Repair/Locker Replacement	\$ 95,000	Completed	
Lighting	50,000					Repair/Replacement light fixtures	\$ 50,000	Completed	
HVAC New Install		500,000				New MEP	\$ 500,000	Not Completed	To Be Addressed
Replacement Sports Flooring	325,000					Gymnasium Flooring Wood	\$ 325,000	Completed	
Sports Fixtures	60,000					Motorized Basket Ball Nets	\$ 60,000	Completed	
Façade Repair		25,000	250,000			Local Law 10/11 Work	\$ 275,000	Completed	
Ceiling Replacement	200,000					Replace deteriorated existing ceiling	\$ 200,000	Completed	
Safety Wall	40,000					Gym Wall Crash Pads	\$ 40,000	Completed	
Bleachers	125,000					Folding Bleachers	\$ 125,000	Completed	
Replacement Metal Doors	65,000					Replacement of Hollow Metal Doors Egress areas - Entryway	\$ 65,000	Completed	
Replacement Panic Hardware	75,000					Replacement of door hardware Egress areas - Code Compliance	\$ 75,000	Completed	
Elevator Rehabilitation	15,000					Elevator Rehab and NYCDOB Filing	\$ 15,000	Completed	
16 Utilities Infrastructure Improvements	\$ 335,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 85,000		\$ 945,000		
Storm Drainage	105,000	35,000	35,000	35,000			\$ 210,000	Completed	
Electrical	140,000	55,000	55,000	55,000			\$ 305,000	Completed	
Plumbing									
- Repair Pipes Liak - Boathouse	85,000	85,000	85,000	85,000	85,000		\$ 425,000	Completed	
Communications	5,000						\$ 5,000	Completed	
17 Engineering/Architectural Consulting Services	\$ 190,000	\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000		\$ 565,000		
All Disciplines	190,000	75,000	100,000	100,000	100,000	Architectural/Engineering Support for Capital Plan	\$ 565,000	Completed	
18 Contracting Services MEP	\$ 306,000	\$ 105,000	\$ 95,000	\$ 115,000	\$ -		\$ 621,000		
Electrical	111,000		95,000				\$ 206,000	Completed	
HVAC	50,000	55,000		65,000			\$ 170,000	Completed	
Plumbing	145,000	50,000		50,000			\$ 245,000	Completed	

RIOC CAPITAL MANAGEMENT PLAN - 5 Year (2007/2008)												
(BOARD APPROVED)						Updated March 31, 20112						
						Notes			Status			
						Year 1			Year 2			
						Year 3			Year 4			
						Year 5			As of			
ITEM						2007-2008			2008-2009			
						2009-2010			2010-2011			
						2011-2012			TOTAL			
									3/31/2012			
									Remarks			
19	RIOC Office Improvements	\$ 15,000	\$ -	\$ -	\$ -	\$ -				\$ 15,000		
	Office Repair and Maintenance	\$ 15,000							Purchase miscellaneous amenities for work spaces	\$ 15,000	Completed	
20	Other Needs:	\$ 445,000	\$ 195,000	\$ 215,000	\$ 235,000	\$ 255,000				\$ 1,345,000		
	Miscellaneous Capital Improvements	120,000							Unknown Unforeseen Conditions	\$ 120,000	Completed	
	Emergency Conditions											
	- Sewer Repair - Post Office/Supermarket	325,000	195,000	215,000	235,000	255,000			Unknown Unforeseen Conditions	\$ 1,225,000	Completed	
	TOTALS	\$ 14,082,500	\$ 16,441,000	\$ 8,658,000	\$ 3,625,000	\$ 2,628,000				\$ 45,434,500		

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

MANAGEMENT LETTER

For the Year Ended March 31, 2012

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

MANAGEMENT LETTER

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May 29, 2012

The Board of Directors
Roosevelt Island Operating Corporation

Dear Board Members:

We have audited the Financial Statements of Roosevelt Island Operating Corporation (“RIOC”) for the year ended March 31, 2012 and have issued our report thereon dated May 25, 2012 in which we have expressed an unqualified opinion.

During our audit, we became aware of certain other matters that are opportunities for strengthening internal controls and operating efficiency. The Schedule of Findings and Recommendations that accompanies this letter summarizes our comments and suggestions regarding those matters. The findings and recommendations have been discussed with RIOC’s management and their comments and responses have been incorporated in the report. Responses that indicate corrective action has been taken have not been verified at this time, but will be verified in the succeeding audit.

This communication is intended solely for the information and use of the Board of Directors and management of RIOC, 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

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED MARCH 31, 2012

I. CURRENT YEAR FINDING AND RECOMMENDATION

Bidding process

We reviewed the bidding process as part of review of internal control in connection with the financial statements audit for the year ended March 31, 2012. We selected eight (8) samples to test compliance with the prescribed process. Following are our findings and observations:

- Failure to issue Letters of Notification of Non- award/Award to non-winning vendors and winning vendor, respectively, for one (1) sample;
- For two (2) samples, two (2) of the raters did not award points to a qualified WBE/MBE vendor;
- For two (2) samples, one of the raters gave more points under the ‘cost’ criterion to a vendor with higher cost proposal;
- For one (1) sample, the contract was awarded to the second lowest bidder (upon disqualification of the previously winning bidder) instead of the second highest ranked bidder without proper explanation for not choosing the latter.
- For one (1) sample, three (3) out of the thirty-six (36) rating forms had the wrong totals;
- For one (1) sample, three (3) out of the fifteen (15) rating forms did not have totals at all.

Recommendation

We recommend that the Corporation address the issues identified above.

Management’s Response

We agree with the findings. To ensure that all procurement documents for every contract are consistently filed in the procurement record, management will implement a Procurement Document Checklist (“Checklist”). The Checklist is a chronological list of the procurement documents necessary to substantiate the issuance of a contract.

At each step of the procurement process, the relevant procurement document will be gathered and filed in the designated procurement records folder and so noted on the Checklist with the date and initial of the procurement manager. Upon execution of the contract, the Checklist will be submitted to the CFO and Comptroller for their review and approval.

To ensure that rating points are consistently and fairly assigned to bidders for the pricing and WBE/MBE criteria, management will compute the points based upon a statistical formula that considers the range of the price difference between the lowest and highest bidder and the

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED MARCH 31, 2012
(continued)

utilization of WBE/MBE; respectively. The rate and ranking forms will be pre-filled with the computed points and provided to the raters for their completion.

The procurement manager will check each rate and ranking form for completeness and mathematical accuracy and summarize the rate and rankings. The procurement manager will provide the rate and ranking summary and the supporting individual rate and ranking forms to the CFO or Comptroller for their review and approval.

In the event that the lowest bidder was disqualified and another bidder was awarded the contract, the procurement manager will so note on the Checklist and file the justification in the procurement record. The CFO or Comptroller, upon their review of the Checklist, will ensure that the justification is in place to support the award.

Comment on Management's Response

Compliance will be verified in subsequent audit.

II. FOLLOW-UP ON PRIOR YEAR FINDING AND RECOMMENDATION (FY 2009)

Information Technology

RIOC does not have a formalized disaster recovery plan or a business continuity plan in the event of a major shutdown of its information technology systems. RIOC's internal control system relies heavily on information technology programs to support its fiscal and other operations.

Recommendation

We recommend that management implement a disaster recovery plan and a business continuity plan. We understand that management is still procuring professional services to address this condition.

Management's Response

RIOC has completed the information gathering phase to implement this recommendation, including information about the pertinent services and systems required. The Corporation has created a Request For Proposals ("RFP") for the purpose of soliciting proposals from qualified vendors, which management expects to advertise to the public prior to the end

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED MARCH 31, 2012
(continued)

of May 2012. The vendor will be selected based upon the Corporation's standard procurement guidelines. The award of a contract for services will be made at the earliest possible juncture to implement this recommendation.

Comment on Management's Response

Compliance will be verified in subsequent audit.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Financial Statements and Management's
Discussion and Analysis

March 31, 2012
(With Comparative Figures for 2011)

(With Independent Auditors' Report Thereon)

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Roosevelt Island Operating Corporation

We have audited the accompanying statements of assets of Roosevelt Island Operating Corporation ("RIOC"), a component unit of the State of New York, as of March 31, 2012 and 2011, and the related statements of revenues, expenses and changes in fund net assets and cash flows for the years then ended. These financial statements are the responsibility of RIOC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RIOC's internal control over financial reporting. Accordingly, we express no such opinion. 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 Roosevelt Island Operating Corporation as of March 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2012 on our consideration of RIOC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements. The schedules listed in the accompanying Table of Contents under the heading of Supplemental Information are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dacia Valle-Ventura LLP

Elmhurst, New York
May 25, 2012

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis
March 31, 2012 and 2011

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Roosevelt Island Operating Corporation at March 31, 2012 and 2011, and the results of its operations for the years then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board for state and local governments. This MD&A should be read in conjunction with the audited financial statements and accompanying notes to financial statements, which directly follow the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: *management's discussion and analysis* (this section), *basic financial statements*, and *supplemental information*. RIOC was created by the New York State Legislature in 1984 as a public benefit corporation charged with maintaining, operating, and developing Roosevelt Island. RIOC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities of the Corporation. These statements are presented in a manner similar to a private business. While detailed sub-information is not presented, separate accounts are maintained for each fund to control and manage transactions for specific purposes and to demonstrate that RIOC is properly performing its contractual obligations.

FINANCIAL ANALYSIS OF THE CORPORATION

NET ASSETS

The following is a summary of the RIOC's statements of assets at March 31, 2012 and 2011 and the percentage changes between March 31, 2012 and March 31, 2011:

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Current and other assets	\$ 46,439,059	\$ 48,103,655	-3%
Capital assets, net	<u>67,090,562</u>	<u>66,395,699</u>	1%
Total assets	<u>\$ 113,529,621</u>	<u>\$ 114,499,354</u>	-1%
Liabilities	<u>\$ 33,458,916</u>	<u>\$ 33,737,618</u>	-1%
Net assets:			
Investment in capital assets	67,090,562	66,395,699	1%
Restricted for capital projects	11,113,352	13,743,612	-19%
Unrestricted	<u>1,866,791</u>	<u>622,425</u>	200%
Total net assets	<u>\$ 80,070,705</u>	<u>\$ 80,761,736</u>	-1%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis
March 31, 2012 and 2011
(continued)

On RIOC's statement of assets at March 31, 2012, total assets of \$113,529,621 exceeded total liabilities of \$33,458,916 by \$80,070,705 (total net assets). Total assets are comprised of capital assets (e.g., buildings, machinery and equipment) totaling \$67,090,562, cash and cash equivalents totaling \$42,210,163 and other assets of \$4,228,896. Liabilities comprised of accounts payable of \$457,249, deferred revenue of \$30,437,919, other postemployment benefits of \$2,046,344, and other liabilities totaling \$517,404. Deferred revenue represents the net present value of ground rent revenue received for the Southtown and Octagon development projects that will be recognized over their respective lease terms. Of total net assets, \$11,113,352 is available to be used to meet ongoing capital obligations. Additionally, \$1,866,791 is available for ongoing operational expenses.

Short-term investments decreased by \$2,515,388 or 6%. This was mainly due to purchases of capital assets (infrastructure) totaling \$4,130,906.

OPERATING ACTIVITIES

RIOC's statements of revenues, expenses and changes in fund net assets are used to report changes in the net assets, including depreciation expense. Revenues reported here are based on a standard of recognition whereby revenues are recorded when earned. The statements of revenues, expenses and changes in fund net assets detail program revenues by major source and expenses by natural classification and indicate the change in net assets.

RIOC's total operating revenues for the year ended March 31, 2012 amounted to \$20,846,903, which includes \$20,583,270 in revenues identified as program revenues and \$263,633 of non-program specific revenues, primarily interest income earned on investments. During the fiscal year ending March 31, 2012, operating revenues increased by \$3,158,255 or 18% over the last fiscal year. The increase in operating revenues is attributed to the Tramway revenue, which increased by \$3,301,021 or 331%. The dramatic increase in Tramway revenue is due to the Tramway operating for 12 months during fiscal year 2012 versus 4 months for fiscal year 2011. The Tramway was out of service for 8 months in fiscal year 2011 for modernization. The new dual tram system provides higher capacity, faster, safer and smoother rides, and no downtime resulting in increased rider-ships and revenues. Residential fees decreased by \$188,414 or 18% primarily due to a decrease in condo sales and transactions. Interest income declined by \$110,751 or 30% due to the significant drop in the interest rate.

RIOC's total operating expenses were \$21,567,047 in 2012 and \$18,871,719 in 2011, including depreciation of \$3,436,043 and \$3,336,240, respectively. For the fiscal year ending March 31, 2012, total operating expenses before depreciation increased by \$2,595,525 or 17% over the last fiscal year. The major contributor to the increased operating expenses is the management fee, which increased by \$2,285,393 or 128%. The dramatic increase in management fees was due to the Tramway operating for 12 months during fiscal year 2012 versus 4 months for fiscal year 2011, wherein Tramway operating expense management fee increased by \$2,264,800 or 197%. Professional and legal services increased by \$364,830 or 109% mainly due to leasing and housing activities.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis
March 31, 2012 and 2011
(continued)

The following summarizes RIOC's change in net assets for the fiscal years ended March 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Operating revenues:			
Residential fees	\$ 878,320	\$ 1,066,734	-18%
Ground rent	9,174,109	8,801,291	4%
Commercial rent	1,296,141	1,438,078	-10%
Tramway revenue	4,297,891	996,870	331%
Public safety reimbursement	1,613,297	1,579,764	2%
Transport/parking revenue	2,485,613	2,546,365	-2%
Interest income	263,633	374,384	-30%
Other revenues	837,899	885,162	-5%
Total operating revenues	<u>20,846,903</u>	<u>17,688,648</u>	18%
Operating expenses:			
Personal services	9,795,206	9,899,587	-1%
Insurance	1,061,546	1,104,969	-4%
Professional services and legal services	699,139	334,309	109%
Management fees	4,072,518	1,787,125	128%
Telecommunications	115,029	89,099	29%
Repairs and maintenance	382,153	415,273	-8%
Vehicles maintenance	318,719	260,456	22%
Equipment purchases/lease	112,977	103,367	9%
Supplies/services	1,039,350	999,169	4%
Other expenses	534,367	542,125	-1%
Total operating expenses excluding depreciation	<u>18,131,004</u>	<u>15,535,479</u>	17%
Operating income before depreciation	2,715,899	2,153,169	26%
Depreciation expenses	<u>3,436,043</u>	<u>3,336,240</u>	3%
Change in net assets	(720,144)	(1,183,071)	39%
Capital contributions for stabilization of Renwick Ruins	29,113	480,811	-94%
Total net assets, beginning of year	<u>80,761,736</u>	<u>81,463,996</u>	-1%
Total net assets, end of year	<u>\$ 80,070,705</u>	<u>\$ 80,761,736</u>	-1%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis
March 31, 2012 and 2011
(continued)

CAPITAL ASSETS

The following summarizes RIOC's capital assets for the fiscal years ended March 31, 2012 and 2011 and the percentage change between fiscal years:

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Seawall	\$ 2,846,890	\$ 2,897,836	-2%
Buildings	12,451,326	13,221,428	-6%
Land improvements	6,351,161	6,324,364	0%
Machinery and equipment	3,001,922	3,621,793	-17%
Infrastructure	<u>42,439,263</u>	<u>40,330,278</u>	5%
Net capital assets	<u>\$ 67,090,562</u>	<u>\$ 66,395,699</u>	1%

The capital assets of \$67,090,562 presented in the financial statements have been depreciated using the straight-line method, effective from the date of acquisition. The increase of \$694,863 from the prior year represents additions of new capital assets valued at \$4,130,906 less depreciation expense of \$3,436,043. Total depreciation expense for all capital assets amounted to \$3,436,043 and \$3,336,240 for the years ended March 31, 2012 and 2011, respectively. A more detailed analysis of RIOC's capital assets is presented in the notes to financial statements on page 16.

INFRASTRUCTURE ASSETS

The amounts reported in the accompanying statements of assets for the capital assets (net of depreciation) of RIOC of \$67,090,562 and \$66,395,699 at March 31, 2012 and 2011, respectively, do not include an amount for two infrastructure items: the bulk of the seawall, and Main Street (the road). Pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, addressing the capitalization of infrastructure assets, infrastructure assets dating from prior to 1980 are not required to be recognized. Improvements to such infrastructure items, however, are reported.

ECONOMIC FACTORS AFFECTING RIOC'S FUTURE FINANCIAL POSITION

Six (6) of the anticipated nine (9) buildings of the Southtown Development Project have been completed. The developer, Hudson/Related Joint Venture, has an option to develop the remaining three (3) that expire December 31, 2012. Should development fail to occur within the expected timeframe, RIOC is protected by a letter of credit in the amount of \$1,420,800. The downturn in the housing market may delay the development of the three buildings. However, RIOC believes that the development will occur as the economy recovers and the housing market rebounds.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis
March 31, 2012 and 2011
(continued)

The Tram Modernization project was substantially completed and back in operation on November 30, 2010. The Tram stations improvements are scheduled to be completed by the end of 2012. The infrastructure improvement was funded through a \$15 million grant from the State of New York and \$10 million from RIOC. The dual Tram system now better meets the transportation needs of the residents and visitors: more passengers are shuttled quickly and safely; there is greater availability - the system allows for one cabin to continue operations while the other is down for preventive maintenance; and it is more reliable with redundant generators to power the system. As a result of these increased efficiencies and capabilities, rider-ship on the Tram is increasing. During the fiscal year ended March 31, 2012, Tramway revenue exceeded the budget by \$553,891 or 15% (see Budget variance report - page 30)

The construction of the Franklin D. Roosevelt Four Freedoms Park, located at the southern tip of the island, is progressing as scheduled. Phase I is 100% complete. Phase II was accelerated and is about 90% complete with expected completion by June 2012. Phase III is approximately 40% complete and is expected to be completed by fall 2012. The developer, Franklin and Eleanor Roosevelt Institute, "FERI", estimates that the entire project, phases 1-3, will cost approximately \$41,023,675, whereby the majority will come from private funds raised by FERI. Funds for Phase I have been secured from New York City, \$4,738,000; New York State, \$4,000,000; as well as private donations in the amount of \$6,905,000. Funds for Phase II consist of appropriations from New York State, \$2,000,000; New York City, \$5,000,000; the Manhattan Borough President's Office, \$500,000; and private donations of \$12,826,704. Funds for Phase III consist of a Federal appropriation, \$471,609; New York City, \$1,000,000; as well as private donations in the amount of \$6,081,700. The opening of this meritorious site - amongst significant other merits the only memorial dedicated to the former President in his home state - will be a destination attraction for international and national visitors, thereby increasing visitor traffic to Roosevelt Island.

The development of Southpoint Park is progressing. Phase I, which include the stabilization of the Renwick Ruins, was completed and Phase II has been substantially completed; the park is open to the public. The \$13,300,000 project is funded by appropriations from the City of New York for \$4,500,000, the State of New York for \$4,400,000, and \$4,400,000 from RIOC. The park significantly enhances the availability of vibrant open space to the community, while naturally benefiting in usage from the scores of visitors that the aforementioned Franklin D. Roosevelt Four Freedoms Park will attract.

The revitalization of Main Street and improvement of the retail businesses are in progress. On August 1, 2011, RIOC entered into a Master Sublease Agreement with Hudson/Related Realty LLC to redevelop, improve, market, lease and professionally operate the Retail Spaces controlled by RIOC. RIOC receives an annual guaranteed rent of \$900,000 - escalating by 2% annually beginning on the first anniversary of the Commencement Date for the first five years and 2.5% annually thereafter - as well as participation in the profits of the Master Sub-lessee. Hudson/Related Realty LLC has recently confirmed the execution of new leases, which will soon bring new businesses to Main Street.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis
March 31, 2012 and 2011
(continued)

During the late summer of 2011, Roosevelt Island weathered Hurricane Irene. RIOC has identified various sites on the island, including sections of the seawall, which incurred damages during the storm. RIOC worked with the NYS Office of Emergency Management and FEMA to identify eligible projects, upon which RIOC must expend funds - during the course of repair work - in order to qualify for Federal Aid. As repair work is completed, the eligible costs are submitted to FEMA/OEM for review and approval. Once approved, the Corporation will receive the Federal share of the eligible costs as a reimbursement. To date, FEMA has estimated damages of \$548,000 and RIOC estimates its reimbursement of expenses to be approximately \$414,000.

RIOC continues to implement its five-year capital management plan. A rehabilitation project on the Motorgate project including, but not limited to, work such as parking deck waterproofing and construction of a steel wall enclosure for open areas of the garage has led to the reopening of spaces that had been previously closed - thereby increasing the number of revenue producing parking spaces. Phase 1 of the wireless security camera system has been completed and Phase II is in progress. Projects slated for fiscal year 12/13 include, but are not limited to: renovations at the Tram station, LED lighting installation in the Motorgate garage, seawall railings and wall repairs, and, the installation of a slate roof on the Good Shepherd Community Center.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of RIOC's finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Chief Financial Officer, The Roosevelt Island Operating Corporation, 591 Main Street, Roosevelt Island, New York 10044.

THE ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Assets
March 31, 2012
(With Comparative Figures for 2011)

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets		
Cash	\$ 417,734	\$ 867,434
Short-term investments	41,792,429	44,307,817
Receivables	983,142	1,098,961
Prepaid expenses	1,199,409	488,390
Total current assets	44,392,714	46,762,602
Noncurrent investments	2,046,345	1,279,824
Security deposits	-	61,229
Capital assets, net of accumulated depreciation	67,090,562	66,395,699
Total assets	<u>\$ 113,529,621</u>	<u>\$ 114,499,354</u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities - accounts payable and accrued expenses	\$ 457,249	\$ 534,283
Security deposits	-	61,229
Compensated absences	413,532	514,730
Deferred revenue	30,437,919	30,814,428
Postemployment benefits other than pension	2,046,344	1,708,479
Other liabilities	103,872	104,469
Total liabilities	<u>33,458,916</u>	<u>33,737,618</u>
Net assets:		
Investment in capital assets	67,090,562	66,395,699
Restricted for capital projects	11,113,352	13,743,612
Unrestricted net assets	1,866,791	622,425
Total net assets	<u>80,070,705</u>	<u>80,761,736</u>
Total liabilities and net assets	<u>\$ 113,529,621</u>	<u>\$ 114,499,354</u>

See accompanying notes to financial statements.

THE ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Revenues, Expenses and Changes in Fund Net Assets
Year ended March 31, 2012
(With Comparative Figures for 2011)

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Residential fees	\$ 878,320	\$ 1,066,734
Ground rent	9,174,109	8,801,291
Commercial rent	1,296,141	1,438,078
Tramway revenue	4,297,891	996,870
Public safety reimbursement	1,613,297	1,579,764
Transport/parking revenue	2,485,613	2,546,365
Interest income	263,633	374,384
Other revenues	837,899	885,162
Total operating revenues	<u>20,846,903</u>	<u>17,688,648</u>
Operating expenses:		
Personal services	9,795,206	9,899,587
Insurance	1,061,546	1,104,969
Professional services and legal services	699,139	334,309
Management fees	4,072,518	1,787,125
Telecommunications	115,029	89,099
Repairs and maintenance	382,153	415,273
Vehicles maintenance	318,719	260,456
Equipment purchases/lease	112,977	103,367
Supplies/services	1,039,350	999,169
Other expenses	534,367	542,125
Total operating expenses excluding depreciation	<u>18,131,004</u>	<u>15,535,479</u>
Operating income before depreciation	2,715,899	2,153,169
Depreciation expenses	<u>3,436,043</u>	<u>3,336,240</u>
Change in net assets	(720,144)	(1,183,071)
Total net assets, beginning of year	80,761,736	81,463,996
Capital contributions for stabilization of Renwick Ruins	29,113	480,811
Net assets, end of year	<u>\$ 80,070,705</u>	<u>\$ 80,761,736</u>

See accompanying notes to financial statements.

The Roosevelt Island Operating Corporation
(A Component Unit of the State of New York)
Statements of Cash Flows
Year ended March 31, 2012
(With Comparative Figures for 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from all activities:		
Receipts from tenants and customers	\$ 20,712,144	\$ 16,576,486
Payments related to employees	(9,553,102)	(9,471,069)
Payments vendors	<u>(9,255,816)</u>	<u>(5,755,727)</u>
Net cash provided by operating activities	<u>1,903,226</u>	<u>1,349,690</u>
Cash flow from investing activities		
Purchase of capital assets	(4,130,906)	(17,391,710)
Purchases of noncurrent investments	(766,521)	(432,129)
Purchase of short-term investments	(25,672,950)	(25,676,024)
Sale of short-term investments	<u>28,188,338</u>	<u>42,033,439</u>
Net cash provided by investing activities	<u>(2,382,039)</u>	<u>(1,466,424)</u>
Cash flow from financing activities		
Capital contributions for Renwick Ruins Project	<u>29,113</u>	<u>480,811</u>
Net cash provided by financing activities	<u>29,113</u>	<u>480,811</u>
Net increase in cash	(449,700)	364,077
Cash at beginning of year	<u>867,434</u>	<u>503,357</u>
Cash at end of year	<u>\$ 417,734</u>	<u>\$ 867,434</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	\$ (720,144)	\$ (1,183,071)
Adjustments to reconcile operating income (loss) to net cash provided by all activities:		
Depreciation and amortization	3,436,043	3,336,240
Provision for bad debt	(5,650)	2,980
Changes in:		
Receivables	121,469	(548,073)
Prepaid expenses	(711,019)	(292,470)
Accounts payable and accrued expenses	(77,034)	222,710
Compensated absences	(101,198)	(51,767)
Deferred revenue	(376,509)	(562,189)
Postemployment benefits other than pension	337,865	428,667
Other liabilities	<u>(597)</u>	<u>(3,337)</u>
Net cash provided by operating activities	<u>\$ 1,903,226</u>	<u>\$ 1,349,690</u>

See accompanying notes to financial statements.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011

1. Organization

In 1969, the City of New York entered into a lease with the New York State Urban Development Corporation (UDC) for the development of Roosevelt Island. In May 1981, pursuant to a memorandum of understanding between UDC and the New York State Division of Housing and Community Renewal (DHCR), responsibility for Roosevelt Island was assigned to DHCR. DHCR then assigned all of its rights and responsibilities to Safe Affordable Housing for Everyone, Inc. (SAHE), a corporation under the direct control of the New York State Commissioner of Housing.

Effective April 1, 1981, SAHE, a Community Development Corporation (formed under Article (6) of the Private Housing Finance Law), became responsible for the day-to-day operation of the services and facilities of Roosevelt Island.

On September 4, 1984, Roosevelt Island Operating Corporation (RIOC) was organized pursuant to Chapter 899 of the New York Unconsolidated Law as a public benefit corporation. The responsibility for the operation, security and maintenance of Roosevelt Island was transferred from SAHE to RIOC on April 1, 1985.

Generally accepted accounting principles require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board codification 2100, The Financial Reporting Entity, have been considered and there are no agencies or entities which should be, but are not, combined with the financial statements of RIOC. However, RIOC is considered a component unit of the State of New York.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

RIOC was created by the New York State Legislature in 1984 as a public benefit corporation charged with maintaining, operating, and developing Roosevelt Island. RIOC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities of the Corporation. These statements are presented in a manner similar to a private business. While detailed sub-information is not presented, separate accounts are maintained for each fund to control and manage transactions for specific purposes and to demonstrate that RIOC is properly performing its contractual obligations.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

2. Summary of Significant Accounting Policies (continued)

(a) Basis of Presentation (continued)

The financial statements of RIOC are prepared in accordance with generally accepted accounting principles (GAAP). RIOC's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and Accounting Principles Board (APB) opinions issued after November 30, 1989, unless they conflict with GASB pronouncements.

(b) Budgetary Information

During the year ended March 31, 2012, RIOC did not request appropriations for the State of New York and, as such, a budget was not required to be adopted by law. Accordingly, budgetary information was not included in the notes to financial statements. However, the Board did approve an operating budget for management's internal use, and is included under supplementary information.

(c) Cash and Cash Equivalents

The following is a summary of cash and cash equivalents as of March 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Cash - deposits	\$ 417,734	\$ 867,434
Short-term investments:		
Certificates of deposit (CDARS)	20,990,528	31,052,404
Money market accounts	<u>20,801,901</u>	<u>13,255,413</u>
	<u>41,792,429</u>	<u>44,307,817</u>
Total cash and cash equivalents	<u>\$ 42,210,163</u>	<u>\$ 45,175,251</u>

RIOC defines cash and cash equivalents as short-term, highly liquid investments with purchased maturities of three months or less.

The money market accounts are secured by collateral securities held in escrow by JP Morgan Chase Bank, NA and managed by the National Collateral Management Group with market values totaling \$23,616,692 and \$14,362,095 as of March 31, 2012 and March 31, 2011, respectively.

Investments managed internally consist of certificates of deposit, "CDARS", a FDIC insured program administered by Amalgamated Bank, with purchased maturities of twelve months or less, and interest bearing cash deposit accounts. RIOC is limited under its investment guidelines primarily to the investment of funds in obligations of the United States of America (United States Government Securities), the State of New York, high grade Corporate Securities or certificates of

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents (continued)

deposit. All cash and funds invested in certificates in any fiduciary bank or trust company must be secured at all times by United States Government Securities or obligations of the State of New York, with a market value, combined with any FDIC coverage, at least equal to the amount of such deposits. Monies held by the Trustees are only secured by obligations guaranteed by the United States of America.

(d) Noncurrent Investments

This represents funds set aside to satisfy the obligation of the postemployment benefits other than pension under GASB Statement No. 45 and are invested in certificates of deposits.

(e) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported on the statement of assets in the accompanying financial statements. Capital assets are defined by RIOC as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of RIOC are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Seawall (improvement of 1995)	73
Buildings	40
Building improvements	15
Infrastructure	50
Vehicles	10
Office equipment	5
Computer equipment	5

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

2. Summary of Significant Accounting Policies (continued)

(f) Deferred Revenue

Deferred revenue reported in the statement of assets represents amounts collected in advance for lease-related payments pertaining to subsequent fiscal years. These amounts will be recognized as income on an annual basis over a period of the remaining fifty-seven years on the ground lease for the City of New York expiring in 2068 under the accrual basis of accounting.

Breakdown is as follows:

<u>Buildings</u>	<u>Balance at April 01, 2011</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance at March 31, 2012</u>
Octagon	\$ 2,734,715	\$ -	\$ (47,354)	\$ 2,687,361
Southtown Bldg #1	1,838,501	-	(31,835)	1,806,666
Southtown Bldg #2	1,754,328	-	(30,378)	1,723,950
Southtown Bldg #3	3,749,154	-	(64,920)	3,684,234
Southtown Bldg #4	4,888,060	-	(84,642)	4,803,418
Southtown Bldg #5	6,241,998	-	(108,087)	6,133,911
Southtown Bldg #6	9,607,672	-	(166,367)	9,441,305
Sportspark Field	-	157,074	-	157,074
Total	<u>\$ 30,814,428</u>	<u>\$ 157,074</u>	<u>\$ (533,583)</u>	<u>\$ 30,437,919</u>

(g) Compensated Absences

It is RIOC's policy to accrue for unused compensated absences for all full time employees. Accrued compensated time as of March 31, 2012 and 2011 were \$413,532 and \$514,730, respectively.

(h) Public Purpose Grants

Included in "Other Expenses" are expenditures for public purpose grants totaling \$275,000 per year for the years ended 2012 and 2011. The Roosevelt Island Youth Center was awarded \$175,000 each year to help fund operating expenses. This is a contractual obligation between RIOC and Roosevelt Landings which was agreed to as one of the terms of Roosevelt Landings Lease Agreement (the Youth Center's Landlord) in exchange for free rent and utilities. The remaining grants of \$100,000 are awarded to various Island-based not-for-profits that must apply each year and require Board approval.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

2. Summary of Significant Accounting Policies (continued)

(i) Estimates

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

3. Capital Assets

Capital assets for the year ended March 31, 2012 are summarized as follows:

<u>Buildings</u>	<u>Balance at April 01, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at March 31, 2012</u>
Capital assets:				
Seawall	\$ 3,719,049	\$ -	\$ -	\$ 3,719,049
Building and building improvements	39,924,943	401,149	-	40,326,092
Landmarks	12,989,185	311,149	-	13,300,334
Vehicles	4,277,552	38,069	-	4,315,621
Equipment	3,104,128	172,115	-	3,276,243
Infrastructure	<u>46,176,522</u>	<u>3,208,424</u>	-	<u>49,384,946</u>
Total capital assets	<u>110,191,379</u>	<u>4,130,906</u>	-	<u>114,322,285</u>
Less accumulated depreciation:				
Seawall	(821,213)	(50,946)	-	(872,159)
Building and building improvements	(26,703,515)	(1,171,250)	-	(27,874,765)
Landmarks	(6,664,821)	(284,352)	-	(6,949,173)
Vehicles	(1,533,747)	(428,510)	-	(1,962,257)
Equipment	(2,226,140)	(401,545)	-	(2,627,685)
Infrastructure	<u>(5,846,244)</u>	<u>(1,099,440)</u>	-	<u>(6,945,684)</u>
Total accumulated depreciation	<u>(43,795,680)</u>	<u>(3,436,043)</u>	-	<u>(47,231,723)</u>
Net capital assets	<u>\$ 66,395,699</u>	<u>\$ 694,863</u>	<u>\$ -</u>	<u>\$ 67,090,562</u>

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

3. Capital Assets (continued)

Capital assets for the year ended March 31, 2011 are summarized as follows:

	<u>Balance at</u> <u>April 1, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>March 31, 2011</u>
Capital assets:				
Seawall	\$ 3,719,049	\$ -	\$ -	\$ 3,719,049
Building and building improvements	38,226,377	1,698,566	-	39,924,943
Landmarks	12,870,977	118,208	-	12,989,185
Vehicles	3,910,302	367,250	-	4,277,552
Equipment	2,839,076	265,052	-	3,104,128
Infrastructure	<u>31,233,888</u>	<u>14,942,634</u>	-	<u>46,176,522</u>
Total capital assets	<u>92,799,669</u>	<u>17,391,710</u>	-	<u>110,191,379</u>
Less accumulated depreciation:				
Seawall	(770,267)	(50,946)	-	(821,213)
Building and building improvements	(25,587,340)	(1,116,175)	-	(26,703,515)
Landmarks	(6,387,515)	(277,306)	-	(6,664,821)
Vehicles	(1,115,160)	(418,587)	-	(1,533,747)
Equipment	(1,684,245)	(541,895)	-	(2,226,140)
Infrastructure	<u>(4,914,913)</u>	<u>(931,331)</u>	-	<u>(5,846,244)</u>
Total accumulated depreciation	<u>(40,459,440)</u>	<u>(3,336,240)</u>	-	<u>(43,795,680)</u>
Net capital assets	<u>\$ 52,340,229</u>	<u>\$ 14,055,470</u>	<u>\$ -</u>	<u>\$ 66,395,699</u>

4. Operating Revenues, Basic Rent and Housing Company Reimbursement

Operating revenues in the accompanying statement of revenues, expenses and fund net assets consist of income derived from the following sources:

(a) Residential Fees

The net present value (NPV) fee for Southtown buildings # 4, 5 and 6 were collected in advance and recognized over the term of the lease – see above section 2 (f) Deferred Revenue. Tax equivalent payments (TEP) are collected and recognized from Southtown buildings # 5 and 6 over the term of the lease. Condo sales fees are collected and recognized upon closing of a sale. TEP and NPV are fixed and the Condo fees vary according to sales.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements
March 31, 2012 and 2011
(continued)

4. Operating Revenues, Basic Rent and Housing Company Reimbursement (continued)

(b) Ground Rent

Ground rents are derived from ground subleases between RIOC and various developers of housing on Roosevelt Island. Most of the ground subleases expire in 2068, which coincides with the expiration of the master lease between RIOC and New York City, the owner of Roosevelt Island. Ground rents account for nearly 50% of annual revenues. The two main sources of ground rents are Manhattan Park and Roosevelt Landings (formerly Eastwood). The other streams of ground rents are from Southtown Buildings #1,2,3,4,5 and 6; Island House; Rivercross; and, Octagon.

Manhattan Park - Under the terms of the ground sublease between RIOC and Roosevelt Island Associates, dated August 4, 1986, expiring in 2068, annual rent, which commenced on the Rent Commencement Date of January 1, 1991, consists of a base ground rent of \$100,000 and additional fixed ground rent of \$1,900,000, increasing \$100,000 annually through December 31, 2011. As of January 1, 2012 and continuing through December 31, 2026, annual ground rent consists of the base ground rent of \$100,000 and additional fixed ground rent of \$4,000,000. Beyond 2026 until expiration in 2068, the ground rent is based upon the appraised value of the property times an applicable percentage, which is the market rate of return. Ground rents earned under the terms of the ground sublease were \$4,025,000 and \$3,925,000 for the years ended March 31, 2012 and 2011, respectively.

In addition to the ground rent mentioned above, RIOC receives a percentage payment, which is based on a percentage of Manhattan Park's annual rent rolls. Percentage payments received were \$2,040,649 for the year ended March 31, 2012, and the same amount, \$2,040,649, for the year ended March 31, 2011.

Roosevelt Landings (formerly Eastwood) - The ground sublease between RIOC and North Town Phase 1 Houses, Inc., dated March 15, 1972, was amended and restated with the base ground rent increasing to \$1 million per year effective October 1, 2006, plus a percentage interest in subsequent increasing rent rolls. Ground rents earned totaled \$1,289,330 and \$1,216,459 for the years ended March 31, 2012 and 2011, respectively.

(c) Commercial Rent

On August 1, 2011, RIOC entered into a Master Sublease Agreement with Hudson Related Retail LLC to redevelop, improve, market, lease and professionally operate the Commercial Retail Spaces controlled by RIOC. Hudson Related Retail LLC will pay RIOC an annual guaranteed rent of \$900,000 plus participation in the profits of Hudson Related Retail LLC.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

4. Operating Revenues, Basic Rent and Housing Company Reimbursement (continued)

(d) Tramway Revenue

During February 2004, RIOC entered into an agreement with The New York Transit Authority (NYCTA) for revenue collection from the Tramway. In the agreement, RIOC receives from the NYCTA a base fare of the current prevailing transit fare for all swipes of full-fare Metro Cards, including transfers, in turnstiles located in RIOC's tram stations. The funds are transmitted to RIOC via electronic funds transfer and the NYCTA supplies appropriate reports for the reconciliation of the revenue and rider-ship. There is a franchise fee expense associated with this agreement that is ½ of 1 percent of gross sales.

(e) Public Safety Reimbursement

Reimbursements from four housing companies (known as the WIRE projects) Westview, Island House, Rivercross, Eastwood and Manhattan Park for no less than 50% of the cost of maintaining a public safety department are included in public safety reimbursement on the accompanying statements of revenues, expenses, and changes in fund net assets. Additionally, the Operator of the Southtown and the Octagon project are responsible for their respective share of the cost of RIOC's public safety department. Public safety reimbursements were \$1,613,297 and \$1,579,764 for fiscal year ending March 31, 2012 and 2011, respectively.

(f) Transportation and Parking Fees

The Motorgate Garage, the Roosevelt Island parking facility, is managed by an agent, Central Parking System ("Central"). This agreement is cancelable by RIOC on 30-day notice and by Central on 180-day notice. Central collects the parking fees and pays the operating costs in connection with the management of the garage. The excess of parking revenues over operating costs is returned to RIOC. RIOC shares the Motorgate revenue with Roosevelt Island Associates, operator of Manhattan Park, with RIOC receiving 61% of the net income. Motorgate revenue approximated \$1,889,000 and \$1,937,000 for the years ended March 31, 2012 and 2011, respectively.

Bus and parking meter revenues totaled \$596,336 and \$609,617 for the years ended March 31, 2012 and 2011, respectively.

(g) Interest and Other Revenues

Interest income is derived from deposits that are either FDIC insured or collateralized by government securities according to the investment guidelines of the State of New York. Other revenues comprised of fees for usage of the sports fields and facilities.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements
March 31, 2012 and 2011
(continued)

(h) De-designation Fee Income

The development agreement for Southtown buildings five through nine between Hudson Related Joint Venture and RIOC included a contingent de-designation (cancellation of project or portion of) fee of \$2,252,198. As of the date of this report, Southtown buildings five and six were completed within the agreed upon timeframe, and resulted in the pro-rata reduction of the de-designation fee to \$1,420,800. The remaining Southtown buildings seven, eight and nine may not be developed before the determination date of December 31, 2012, which would result in de-designation fee income to the corporation. The agreement is collateralized by a letter of credit issued by Deutsche Bank Trust Company, NA in the amount of \$1,420,800 maturing on August 15, 2012, to be renewed annually.

(i) Future Minimum Payments Due

Future minimum payments due to RIOC under current leases all with the housing companies and leases for commercial space are as follows:

Years ending <u>March 31</u>	Housing <u>Companies</u>	Commercial <u>Leases</u>
2013	\$ 11,114,970	\$ 1,436,586
2014	11,601,033	1,465,632
2015	12,337,866	1,695,366
2016	13,529,227	1,725,806
2017	<u>14,653,964</u>	<u>1,781,969</u>
Total	<u>\$ 63,237,060</u>	<u>\$ 8,105,359</u>

5. Management Agreements

The Roosevelt Island Tramway System is operated by Leitner-Poma of America, Inc., a subsidiary of Pomagalski S.A, the designer and builder of the modernized Tramway system, which went into operation on November 30, 2010. RIOC entered into a 5-year fixed fee operating agreement at an annual cost of \$3,397,200.

RIOC also has a parking management agreement with Central Parking System (“Central”) for the management of Motorgate Garage. This agreement is cancelable by RIOC on 30-day notice and by Central on 180-day notice. RIOC pays an annual management fee of \$40,000 and certain operating costs in connection with the management of the garage.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements
March 31, 2012 and 2011
(continued)

6. Income Taxes

RIOC is a public benefit corporation of the State of New York and as such is exempt from income tax under Section 115 of the Internal Revenue Code. Accordingly, no income taxes have been provided for in the financial statements.

7. Retirement Plans

Retirement plans in which RIOC contributes are detailed as follows:

(a) Non-Union Employees:

Plan Description

RIOC's non-union employees participate in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of ERS and for the custody and control of their funds. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Albany, New York 12244.

Funding Policy

ERS is contributory (3%) except for employees who joined the System before July 27, 1976. Employees who joined the System after July 27, 1976, but prior to January 1, 2011, and have been members of the System for at least ten years, or have at least ten years of credited service are not required to contribute 3% of their salaries. Employee hired after January 1, 2011 shall contribute 3% of salary for the duration of employment. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulated fund. RIOC is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were approximately:

March 31, 2010	\$	357,700
March 31, 2011	\$	389,011
March 31, 2012	\$	639,065

RIOC has made the required contributions for each year.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

7. Retirement Plans (continued)

(b) Union Employees

Union employees participate in separate defined contribution plans, which are administered by each union. RIOC contributed \$197,630 and \$200,676 for the years ended March 31, 2012 and 2011, respectively, to union employees' defined contribution plans.

8. Risk Management

RIOC purchases commercial insurance policies to adequately protect against potential loss stemming from general liability, vehicle liability, property damage, and public officials and employee liability. Through a competitive bidding and selection, RIOC changed its insurance broker of record to better meet its insurance needs. Coverages for the forthcoming fiscal year ended March 31, 2013 were appropriately increased to provide adequate protection for RIOC as follows:

<u>Coverages</u>	2012-2013 <u>Coverage Amount</u>
General liability - RIOC and Tram	\$125 million limit
Property	\$75 million loss limit
Boiler and machinery	\$100 million limit
Automobile	\$1 million limit
Directors and officers liability	\$5 million limit

9. Commitments and Contingencies

Commitments and contingencies at March 31, 2012 and 2011 are detailed as follows:

(a) Leases

RIOC has agreements with four (4) housing companies operating on the Island to sublease commercial space occupied by the housing companies. Rent expense for the years ended March 31, 2012 and 2011 approximated \$86,000 per year.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements
March 31, 2012 and 2011
(continued)

9. Commitments and Contingencies (continued)

(b) Litigation

RIOC is a defendant in various lawsuits. In the opinion of RIOC's legal counsel, these suits are without substantial merit and should not result in judgments which in the aggregate would have a material adverse effect on RIOC's financial statements.

(c) Prior Years' New York State Appropriations

The Office of the State Comptroller of the State of New York, requested confirmation of the following potential liabilities:

Appropriation # 0060083	fiscal year 89/90	\$ 1,299,964
Appropriation # 0066230	fiscal year 90/91	2,463,531
Appropriation # 0071968	fiscal year 91/92	2,702,481
Appropriation # 0078460	fiscal year 92/93	1,346,400
Appropriation # 0084266	fiscal year 93/94	<u>1,648,254</u>
		<u>\$ 9,460,630</u>

The above were appropriations paid to RIOC to subsidize general fund operations. Management's position is that all appropriations were fully spent resulting in no unspent funds. It is management's view, based on internal findings, that due to the fact that there were no unspent funds, the above potential liability will be resolved with an outcome of no amount due to the State of New York.

(d) Revenue Allocation Agreement – between New York State Urban Development Corporation (“UDC”), now known as the Empire State Development Corporation (ESD”) and Roosevelt Island Operating Corporation (“RIOC”)

On August 3rd, 1988 ESD and RIOC entered into an agreement in the sharing of all revenues derived by RIOC in order for ESD to recover it's investment in Roosevelt Island. The total amount invested in developing the Roosevelt Island infrastructure and funding of ESD's operating deficits prior to the assignment of operations to RIOC amounted to \$170,356,976 along with a stated interest rate of 5.74%. The agreement calls for revenues to be allocated in the following manner; (1) RIOC Operating Expenditures, (2) All Other State Subsidies, (3) State (RIOC) Capital Investments and (4) ESD Debt. To date, no revenues have been allocated for the ESD debt other than “Tax Equivalency Payments” (“TEP”) payments for the islands original affordable “Mitchell Lama” buildings. ESD acknowledges that there are significant projected future capital investments to be made by RIOC and that it is highly unlikely that there would be sufficient excess revenues to share with ESD.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

9. Commitments and Contingencies (continued)

(e) Claims

The contractor for the modernization of the Roosevelt Island Aerial Tramway has submitted claims to RIOC for additional compensation in the amount of \$18,794,956 (on top of the fixed fee contracted price of \$16,693,894) on account of various items of alleged extra work and alleged interferences to its work. RIOC believes that these claims are without merit.

In addition, the contractor also claims a Contract Sum balance of \$1,995,230 under the Design/Build Agreement. The claimed Contract Sum balance is disputed by RIOC for reason of various incomplete items of Work and contractor's failure to return the Tramway to service within the Contract Time.

The Corporation's legal counsels are reviewing these claims and have not yet formed an opinion on these matters.

10. Postemployment Benefits Other Than Pensions

The Corporation implemented the accounting and disclosure requirements of GASB Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" effective for its fiscal year beginning April 1, 2007.

Plan Description - The Corporation provides continuation of medical coverage to administrative, non-represented employees (those categorized as M/C) that retire at age 55 or older with five (5) years of service with the Corporation or a combination of service with a previous NYS public employer and a minimum of one (1) year service with RIOC. The employee must meet the requirements for retiring as a member of the NYS Employees Retirement System, and the employee must be enrolled in NYSHIP. The Corporation contributes 90% for employees and 75% for an employee's spouse.

The Corporation provides certain health care benefits for retired employees. Substantially all of the Corporation's non-union employees may become eligible for these benefits if they reach the normal retirement age, of the respective tier of the New York State Employees' Retirement System, while working for the Corporation. The Corporation, on an annual basis, accrues the cost which represents the present value of these benefits to be paid over the estimated lives of the retirees.

Total expenditures charged to operations for the years ended March 31, 2012 and 2011 amounted to \$461,412 and \$488,603, respectively. At March 31, 2012, the liability for retired employees included in non-current accrued fringe benefits amounted to \$2,046,344.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements
March 31, 2012 and 2011
(continued)

10. Postemployment Benefits Other Than Pensions (continued)

The number of participants as of January 1, 2012 was as follows:

Active employees	40
Retired employees	12
Spouses of retired employees	-
Total	52

Funding Policy - The Corporation currently pays for post-retirement health care benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue. The fund set aside for this purpose is discussed in Note 2 (d).

Benefit Obligations and Normal Cost

	<u>2012</u>	<u>2011</u>
Actuarial accrued liability (AAL):		
Actuarial accrued liability	\$ 4,641,422	\$ 4,114,910
Less: Actuarial value of assets	-	-
Unfunded actuarial accrued liability (UAAL)	\$ 4,641,422	\$ 4,114,910
 Normal cost	 \$ 274,538	 \$ 323,259

Annual OPEB Cost and Net OPEB Obligation

Annual required contribution	\$ 458,992	\$ 486,790
Interest on net OPEB obligation	68,339	51,192
Adjustment to annual required contribution	(65,919)	(49,379)
Annual OPEB cost (expense)	461,412	488,603
Contribution made on a pay-as-you-go basis	(123,547)	(59,936)
Increase in net OPEB obligation	337,865	428,667
Net OPEB obligation at beginning of year	1,708,479	1,279,812
Net OPEB obligation at end of year	\$ 2,046,344	\$ 1,708,479

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

10. Postemployment Benefits Other Than Pensions (continued)

Actuarial methods and assumptions:

Valuation method	Projected Unit Credit Method
Amortization period	30 years
Amortization method	Level percent of pay, open group
Interest rate	4.0%
Inflation rate	3.0%
Annual payroll growth rate	3.5%
Retirement rates	Later of age 65 and first eligibility

Healthcare cost trend:

<u>Year</u>	<u>Medical Trend Rate</u>
2011	8.0%
2012	7.5%
2013	7.0%
2014	6.5%
2015	6.0%
2016	5.5%
2017 and beyond	5.0%

11. Pollution Remediation Obligations

In accordance with the GASB Statement No. 49 - "Accounting for Pollution Remediation Obligations," management has concluded that no obligating event has occurred that would require recognition of a future pollution remediation obligation in the accompanying financial statements.

12. Accounting Standards Issued But Not Implemented

GASB Statement No. 57 - "OPEB Measurements by Agent Employers and Agent Multiple Employer Plans," addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The requirements of the statement are effective for periods beginning after June 15, 2011, which is the fiscal year beginning April 1, 2012 for RIOC. Management has not yet determined the effect that this statement will have on the future financial statements of RIOC.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements
March 31, 2012 and 2011
(continued)

12. Accounting Standards Issued But Not Implemented (continued)

GASB Statement No. 60 – “Accounting and Financial Reporting for Service Concession Arrangements” which addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The requirements for Statement 60 are effective for financial statements for periods beginning after December 15, 2011, which is the fiscal year beginning April 1, 2012 for RIOC. Management has not yet determined the effect that this statement will have on the future financial statements of RIOC.

GASB Statement No. 63 – “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011, which is the fiscal year beginning April 1, 2012 for RIOC. Management has not yet determined the effect that this statement will have on the future financial statements of RIOC.

GASB Statement No. 64 – “Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53” seeks to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011, which is the fiscal year beginning April 1, 2012 for RIOC. Management has not yet determined the effect that this statement will have on the future financial statements of RIOC.

Roosevelt Island Operating Corporation
(A Component Unit of the State of New York)
Schedule of Operations by Department
Year Ended March 31, 2012

	General Fund						Public	Capital	Reserved	Total
	Operations	Public Safety	Transportation	Parking	Parks/Rec.	Tram	Purpose Fund	Fund	Fund	
Operating Revenues:										
Residential fees	\$ 369,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,995	\$ 201,586	\$ 878,320
Ground rent	9,174,109	-	-	-	-	-	-	-	-	9,174,109
Commercial rent	1,296,141	-	-	-	-	-	-	-	-	1,296,141
Tramway revenue	-	-	-	-	-	4,297,891	-	-	-	4,297,891
Public safety reimbursement	-	1,613,297	-	-	-	-	-	-	-	1,613,297
Transport/parking revenue	-	-	449,827	2,035,786	-	-	-	-	-	2,485,613
Interest income	12,976	-	-	-	-	-	(5)	3,373	247,289	263,633
Other revenues	167,420	-	-	-	670,479	-	-	-	-	837,899
Total operating revenues	11,020,385	1,613,297	449,827	2,035,786	670,479	4,297,891	(5)	310,368	448,875	20,846,903
Operating Expenses										
Personal Services:										
Salaries	3,311,788	1,986,680	724,628	-	438,816	-	-	-	-	6,461,912
Temporary employees	132,143	5,520	-	-	27,690	-	-	-	-	165,353
Employee benefits	2,131,670	657,007	275,617	-	204,845	-	-	-	-	3,269,139
Compensated absences expenses	(101,198)	-	-	-	-	-	-	-	-	(101,198)
Total personal services	5,474,403	2,649,207	1,000,245	-	671,351	-	-	-	-	9,795,206
Other Than Personal Services (OTPS) :										
Insurance	911,546	-	-	-	-	150,000	-	-	-	1,061,546
Professional services	550,671	-	-	-	40,839	-	-	-	-	591,510
Management fees	-	-	-	638,951	-	3,433,567	-	-	-	4,072,518
Legal services	107,629	-	-	-	-	-	-	-	-	107,629
Telecommunications	115,029	-	-	-	-	-	-	-	-	115,029
Repairs and maintenance	317,166	8,531	18,199	14,334	8,483	15,440	-	-	-	382,153
Vehicles maintenance	44,134	35,423	238,522	-	640	-	-	-	-	318,719
Equipment purchases/lease	93,129	8,269	6,407	-	-	5,172	-	-	-	112,977
Supplies/services	536,046	98,358	37,975	70,620	136,995	159,356	-	-	-	1,039,350
Other expenses	132,368	16,635	2,395	-	106,494	2,025	274,450	-	-	534,367
Total Other Than Personal Services (OTPS)	2,807,718	167,216	303,498	723,905	293,451	3,765,560	274,450	-	-	8,335,798
Total operating expenses excluding depreciation	8,282,121	2,816,423	1,303,743	723,905	964,802	3,765,560	274,450	-	-	18,131,004
Operating income (loss) before depreciation	2,738,264	(1,203,126)	(853,916)	1,311,881	(294,323)	532,331	(274,455)	310,368	448,875	2,715,899
Depreciation expense	-	-	-	-	-	-	-	3,436,043	-	3,436,043
Operating income (loss)	\$ 2,738,264	\$ (1,203,126)	\$ (853,916)	\$ 1,311,881	\$ (294,323)	\$ 532,331	\$ (274,455)	\$ (3,125,675)	\$ 448,875	\$ (720,144)

The Roosevelt Island Operating Corporation
(A Component Unit of the State of New York)
Schedule of Operations by Department
Year Ended March 31, 2011

	General Fund						Public Purpose Fund	Capital Fund	Reserved Fund	Total
	Operations	Public Safety	Bus	Parking	Parks/Rec.	Tram				
Operating Revenues:										
Residential fees	\$ 369,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,509	\$ 535,486	\$ 1,066,734
Ground rent	8,801,291	-	-	-	-	-	-	-	-	8,801,291
Commercial rent	1,438,078	-	-	-	-	-	-	-	-	1,438,078
Tramway revenue	-	-	-	-	-	996,870	-	-	-	996,870
Public safety reimbursement	-	1,579,764	-	-	-	-	-	-	-	1,579,764
Transport/parking revenue	-	-	484,772	2,061,593	-	-	-	-	-	2,546,365
Interest income	9,246	-	-	-	-	-	17	5,902	359,219	374,384
Other revenues	179,000	-	-	-	456,162	-	-	250,000	-	885,162
Total operating revenues	10,797,354	1,579,764	484,772	2,061,593	456,162	996,870	17	417,411	894,705	17,688,648
Operating Expenses:										
Personal Services :										
Salaries	3,623,233	1,967,898	690,290	-	477,136	-	-	-	-	6,758,557
Temporary employees	152,500	9,000	-	-	55,571	-	-	-	-	217,071
Employee benefits	1,936,630	624,596	253,392	-	161,108	-	-	-	-	2,975,726
Compensated absences expenses	(51,767)	-	-	-	-	-	-	-	-	(51,767)
Total personal services	5,660,596	2,601,494	943,682	-	693,815	-	-	-	-	9,899,587
Other Than Personal Services (OTPS):										
Insurance	993,647	-	-	-	-	111,322	-	-	-	1,104,969
Professional services	264,760	2,500	-	-	54,294	-	-	-	-	321,554
Management fees	-	-	-	633,948	-	1,153,177	-	-	-	1,787,125
Legal services	11,120	-	-	-	-	-	-	1,634	-	12,754
Telecommunications	89,099	-	-	-	-	-	-	-	-	89,099
Repairs and maintenance	254,768	3,500	33,537	11,055	89,096	23,317	-	-	-	415,273
Vehicles maintenance	55,895	32,053	170,481	-	2,027	-	-	-	-	260,456
Equipment purchases/lease	88,987	3,909	4,922	-	-	5,549	-	-	-	103,367
Supplies/services	492,136	96,726	30,121	69,648	128,939	181,600	-	-	-	999,170
Other expenses	151,682	10,665	13,827	-	89,670	1,246	275,000	-	35	542,125
Total Other Than Personal Services (OTPS)	2,402,094	149,353	252,888	714,651	364,026	1,476,211	275,000	1,634	35	5,635,892
Total operating expenses excluding depreciation	8,062,690	2,750,847	1,196,570	714,651	1,057,841	1,476,211	275,000	1,634	35	15,535,479
Operating income (loss) before depreciation	2,734,664	(1,171,083)	(711,798)	1,346,942	(601,679)	(479,341)	(274,983)	415,777	894,670	2,153,169
Depreciation expense	-	-	-	-	-	-	-	3,336,240	-	3,336,240
Operating income (loss)	\$ 2,734,664	\$ (1,171,083)	\$ (711,798)	\$ 1,346,942	\$ (601,679)	\$ (479,341)	\$ (274,983)	\$ (2,920,463)	\$ 894,670	\$ (1,183,071)

The Roosevelt Island Operating Corporation (RIOC)
(A Component Unit of the State of New York)
Budget Variance Report
Year Ended March 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>	
			<u>Variance</u>	<u>Percent</u>
Operating revenues:				
Residential fees	\$ 878,320	\$ 966,775	\$ (88,455)	-9%
Ground rent	9,174,109	9,199,000	(24,891)	0%
Commercial rent	1,296,141	1,607,000	(310,859)	-19%
Tramway revenue	4,297,891	3,744,000	553,891	15%
Public safety reimbursement	1,613,297	1,615,000	(1,703)	0%
Transport/parking revenue	2,485,613	2,576,000	(90,387)	-4%
Interest income	263,633	509,000	(245,367)	-48%
Other revenues	<u>837,899</u>	<u>617,000</u>	<u>220,899</u>	<u>36%</u>
Total operating revenues	<u>20,846,903</u>	<u>20,833,775</u>	<u>13,128</u>	<u>0%</u>
Operating expenses:				
Personal Services :				
Salaries	6,316,468	6,349,785	33,317	1%
Salaries-overtime	145,444	175,000	29,556	17%
Temporary employees	165,353	175,000	9,647	6%
Workers compensation & disability	190,595	186,098	(4,497)	-2%
ER payroll taxes	573,367	579,699	6,332	1%
Health insurance	1,083,897	1,190,395	106,498	9%
Dental/vision	75,411	72,482	(2,929)	-4%
Pension	836,645	700,868	(135,777)	-19%
Other employee benefits	509,224	473,804	(35,420)	-7%
Compensated absences expenses	<u>(101,198)</u>	<u>-</u>	<u>101,198</u>	<u>100%</u>
Total Personal Services	<u>9,795,206</u>	<u>9,903,131</u>	<u>107,925</u>	<u>1%</u>
Other Than Personal Services (OTPS) :				
Insurance	1,061,546	940,000	(121,546)	-13%
Professional services	583,375	404,200	(179,175)	-44%
Marketing/advertising	8,135	18,600	10,465	56%
Management fees	4,072,518	4,135,200	62,682	2%
Legal services	107,629	375,000	267,371	71%
Telecommunications	115,029	106,800	(8,229)	-8%
Repairs and maintenance	286,126	391,400	105,274	27%
Repairs and maintenance equipment	18,288	21,600	3,312	15%
Other repairs and maintenance	77,738	85,000	7,262	9%
Vehicles gas	171,689	146,100	(25,589)	-18%
Vehicles repairs and maintenance	83,908	83,600	(308)	0%
Vehicles parts	63,122	34,200	(28,922)	-85%
Equipment lease	18,485	20,600	2,115	10%
Office equipment purchase	17,726	22,200	4,474	20%
Equipment purchases	54,731	57,800	3,069	5%
Other equipment purchases	22,036	26,000	3,964	15%
Exterminator	10,780	15,600	4,820	31%
Uniforms	53,375	69,870	16,495	24%
Light, power, and heat	667,272	469,000	(198,272)	-42%
Water and sewer	9,067	20,000	10,933	55%
Office supplies	17,187	20,700	3,513	17%
Parts and supplies	251,878	227,100	(24,778)	-11%
Service maintenance agreement	29,790	80,100	50,310	63%
Employee travel and meal	19,388	17,200	(2,188)	-13%
Employee training	50,142	56,400	6,258	11%
Shipping	9,933	13,400	3,467	26%
Subscriptions/membership	15,464	14,500	(964)	-7%
Other expenses	337,288	340,000	2,712	1%
Island Events - Community relations	<u>102,153</u>	<u>85,000</u>	<u>(17,153)</u>	<u>-20%</u>
Total Other Than Personal Services	<u>8,335,798</u>	<u>8,297,170</u>	<u>(38,628)</u>	<u>0%</u>
Total operating expenses excluding depreciation	<u>18,131,004</u>	<u>18,200,301</u>	<u>69,297</u>	<u>0%</u>
Operating income (loss) before depreciation	<u>2,715,899</u>	<u>2,633,474</u>	<u>82,425</u>	<u>3%</u>
Depreciation expenses	<u>3,436,043</u>	<u>3,256,000</u>	<u>(180,043)</u>	<u>-6%</u>
Operating income (loss)	<u>\$ (720,144)</u>	<u>\$ (622,526)</u>	<u>\$ (97,618)</u>	<u>-16%</u>

The Roosevelt Island Operating Corporation
(A Component Unit of the State of New York)
Budget Variance Report
Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>	
			<u>Variance</u>	<u>Percent</u>
Operating revenues:				
Residential fees	1,066,734	1,209,125	(142,391)	-12%
Ground rent	8,801,291	8,821,573	(20,282)	0%
Commercial rent	1,438,078	1,501,609	(63,531)	-4%
Tramway revenue	996,870	2,359,000	(1,362,130)	-58%
Public safety reimbursement	1,579,764	1,576,362	3,402	0%
Transport/parking revenue	2,546,365	2,507,000	39,365	2%
Interest income	374,384	455,875	(81,491)	-18%
Other revenues	885,162	594,654	290,508	49%
Total operating revenues	<u>17,688,648</u>	<u>19,025,198</u>	<u>(1,336,550)</u>	<u>-7%</u>
Operating expenses:				
Personal Services:				
Salaries	6,653,053	6,462,299	(190,754)	-3%
Salaries - overtime	105,503	175,000	69,497	40%
Temporary employees	217,071	175,000	(42,071)	-24%
Workers compensation & disability	156,548	182,030	25,482	14%
ER payroll taxes	599,700	583,963	(15,737)	-3%
Health insurance	1,026,071	1,080,627	54,556	5%
Dental/vision	69,377	71,507	2,130	3%
Pension	589,687	583,260	(6,427)	-1%
Other employee benefits	534,344	466,471	(67,873)	-15%
Compensated absences expenses	(51,767)	-	51,767	100%
Total Personal Services	<u>9,899,587</u>	<u>9,780,157</u>	<u>(119,430)</u>	<u>-1%</u>
Other Than Personal Services (OTPS) :				
Insurance	1,104,969	1,180,000	75,031	6%
Professional services	294,273	450,900	156,627	35%
Marketing /advertising	27,282	27,600	318	1%
Management fees	1,787,125	2,305,500	518,375	22%
Legal services	12,754	325,000	312,246	96%
Telecommunications	89,099	104,820	15,721	15%
Repairs and maintenance	328,304	394,600	66,296	17%
Repairs and maintenance equipment	28,443	31,200	2,757	9%
Other repairs and maintenance	58,526	75,000	16,474	22%
Vehicles gas	150,256	146,100	(4,156)	-3%
Vehicles repair and maintenance	79,998	137,600	57,602	42%
Vehicles parts	30,202	30,200	(2)	0%
Equipment lease	9,523	25,880	16,357	63%
Office equipment purchase	20,063	25,200	5,137	20%
Equipment purchases	48,371	66,200	17,829	27%
Other equipment purchases	25,410	26,000	590	2%
Exterminator	7,095	15,600	8,505	55%
Uniforms	32,421	102,245	69,824	68%
Light, power, heat	670,590	558,700	(111,890)	-20%
Water and sewer	3,109	30,000	26,891	90%
Office supplies	18,705	27,720	9,015	33%
Parts and supplies	231,094	275,100	44,006	16%
Service maintenance agreement	36,155	91,700	55,545	61%
Employee travel and meal	8,760	18,480	9,720	53%
Employee training	65,987	84,478	18,491	22%
Shipping	11,329	13,440	2,111	16%
Subscriptions /membership	13,412	13,100	(312)	-2%
Other expenses	354,544	424,200	69,656	16%
Island Events - Community relations	88,093	92,000	3,907	4%
Total Other Than Personal Services	<u>5,635,892</u>	<u>7,098,563</u>	<u>1,462,671</u>	<u>21%</u>
Total operating expenses excluding depreciation	<u>15,535,479</u>	<u>16,878,720</u>	<u>1,343,241</u>	<u>8%</u>
Operating income (loss) before depreciation	2,153,169	2,146,478	6,691	0%
Depreciation expenses	<u>3,336,240</u>	<u>3,363,000</u>	<u>26,760</u>	<u>1%</u>
Operating income (loss)	<u>\$ (1,183,071)</u>	<u>\$ (1,216,522)</u>	<u>\$ 33,451</u>	<u>3%</u>



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Roosevelt Island Operating Corporation

We have audited the financial statements of Roosevelt Island Operating Corporation ("RIOC"), a component unit of the State of New York, as of and for the year ended March 31, 2012 and have issued our report thereon dated May 25, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered RIOC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RIOC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of RIOC's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of significant deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RIOC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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.

Dacia Valles-Vandora LLP

ELMHURST, NEW YORK
May 25, 2012



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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



RIOC Executive Staff Biographical Information

Leslie Torres

President and Chief Executive Officer

Leslie Torres Esq. joined the Roosevelt Island Operating Corporation (RIOC) in August 2010 as the President and Chief Executive Officer. In the past 15 years, she has held several public service positions all of which uniquely contribute to her ability to effectively manage the issues facing the Roosevelt Island community and demonstrates her commitment to public service. Ms. Torres is responsible for leading a staff of 125 employees that manage and operate the island. Additionally, Ms. Torres, along with her staff and the Board of Directors of the Roosevelt Island Corporation, work with New York City, New York State and the Federal government to ensure that all projects related to Roosevelt Island are responsibly and successfully managed and completed.

Prior to joining RIOC, Ms. Torres worked at the NYS Division of Housing as the Deputy Commissioner for Rent Administration from 2007-10. In that role, Ms. Torres was responsible for the direct oversight of all rent stabilized and rent controlled buildings statewide. She led a staff of 400 State employees that annually issued decisions in thousands of landlord-tenant proceedings.

From 2004- 07, Ms. Torres worked for the City's Department of Buildings as the Assistant Commissioner for Enforcement. In this role she had direct oversight for the administration of the Building Code and Zoning Resolution, directed the prosecution of over 45,000 Environmental Control Board violations annually, as well as administrating law relating to the construction of buildings, signs, and facades. In the area of building development, she was also responsible for overseeing the proper licensing of tradesmen who engaged in building construction and enforced all related disciplinary matters for licensed tradesmen and agency employees.

From 2001-04, Ms. Torres served as Executive Director and General Counsel of the New York City Loft Board at the Mayor's Office, where she managed all aspects of agency performance, including the prosecution and adjudication of cases. Prior to becoming Executive Director, Ms. Torres was Director of Hearings at the Loft Board (1998-01).

Additionally, Ms. Torres also served as an Assistant District Attorney for the Manhattan District Attorney's Office from 1995-98.

Ms. Torres received her Juris Doctor degree from New York Law School in 1993 and her Bachelor of Arts in Political Science and Spanish Language from Amherst College in Massachusetts (1989). She is admitted to practice law in New York, New Jersey and Massachusetts.

Fernando Martinez

Vice President

Operations

Mr. Fernando Martinez joined the Roosevelt Island Operating Corporation in May 2007. As the Vice President of Operations, Mr. Martinez is directly responsible for the management and operation of Roosevelt Island.

Prior to joining RIOC, he served for 6 years as the Executive Director for the Downstate Medical Center Biotechnology Park. In that capacity, he was responsible for developing and managing New York City's second biotechnology research and development facility.

Mr. Martinez's 20-year professional career includes working for the Port Authority of New York and New Jersey, the Metropolitan Transportation Authority, and the United States Department of Housing and Urban Development.

Mr. Martinez received a Bachelor of Arts degree in Economics from Iona College, and a Master of Arts degree in Public Administration from Columbia University School of Public and International Affairs.

Steven Chironis
Vice President
Chief Financial Officer

Mr. Chironis joined Roosevelt Island Operating Corporation as Vice President, Chief Financial Officer in February 2008.

He has over thirty years of financial management experience ranging from an Audit Manager at a New York CPA Firm, CFO and Controller for a Construction Engineering Firm, Financial Advisor & Employee Benefits Specialist at several Fortune 500 Companies and a partner in a Real Estate Development Firm. He has a Bachelor of Science degree from Plattsburgh State University of New York in Accounting and Finance.

Donald D. Lewis
Vice President
General Counsel

Donald D. Lewis is Vice President and General Counsel of the Roosevelt Island Operating Corporation (RIOC). Mr. Lewis is responsible for providing legal advice to the President/Chief Executive Officer, as well as to the Chairperson and members of the Board of Directors in connection with the actions of the Corporation, including the analysis and interpretation of applicable laws, and litigation involving the Corporation. Additionally, Mr. Lewis' responsibilities may include, negotiating contracts, drafting proposed legislation, drafting resolutions for adoption by the Board, drafting proposed rules and regulations for promulgation by the Board, and conferring with the Office of the Attorney General and other high level governmental officials.

Prior to joining RIOC, Mr. Lewis was a litigation associate at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP in New York. He has represented corporations and individuals in complex litigations involving a range of corporate and commercial matters in federal and state court, including securities class actions, shareholder derivative suits and disputes concerning Chapter 11 reorganizations. Through the firm's externship program, Mr. Lewis served as a Special Assistant Corporation Counsel for the New York City Law Department, Office of Corporation Counsel where he was lead trial counsel in tort actions against the City. Mr. Lewis also has provided extensive pro bono service, including work on a high profile death penalty case. In addition, Mr. Lewis was a 2008 recipient of the Commitment to Justice Legal Team Award from inMotion, a New York-based organization that provides free legal services to women from underrepresented communities.

Mr. Lewis mentors students on the mock trial team at the Bronx Leadership Academy High School and is involved with Ice Hockey in Harlem, a community-based non-profit organization for young people that uses the sport to promote academic achievement, responsibility and teamwork.

Mr. Lewis received his Juris Doctor degree from Harvard Law School (2000) and his Bachelor of Arts degree in psychology, cum laude, from Harvard College (1995). He is admitted to practice in New York State and in the U.S. District Court for the Southern District of New York.

Alexander Snedkov
Director of Engineering

Alexander Snedkov joined Roosevelt Island Operating Corporation as a Director of Engineering in November 2010.

He has over twenty years of engineering, facility and construction management experience ranging from a Facilities Manager at a pharmaceutical firm to positions as an Electrical Engineer, Project Manager, and Vice President at several construction firms. He has a Bachelor of Science degree in electrical engineering from the Rostov State University of Railway Transport in Russia and a certificate in Facilities Management from New York University

Muneshwar Jagdharry
Comptroller

Muneshwar Jagdharry is a Certified Public Accountant with over 20 years of experience in financial reports, accounting, financial systems, accounts payable, account receivable, auditing, procurement, nonprofit/fund/grant accounting, cash management, financial analysis, budgeting and forecasting. He graduated from Lehman College with a Bachelor of Science in Accounting; Baruch College with a Master of Business Administration in Finance; and Hunter College with a Master in Public Health.

ROOSEVELT ISLAND OPERATING CORPORATION

Code of Ethics

As a New York State public benefit corporation, the Roosevelt Island Development Corporation (the "Corporation") is vested with a public trust. In order to promote and maintain governmental integrity, each officer, director and employee of the Corporation must adhere to the standards and code of ethics set forth herein, in the Corporation's Employee Handbook, and in the State Code of Ethics and the Ethics in Government Act.

Rule with Respect to Conflicts of Interest

No director, officer or employee of the Corporation may have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

Standards

1. No director, officer or employee of the Corporation may accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties.
2. No director, officer or employee of the Corporation may accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.
3. No director, officer or employee of the Corporation may disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
4. No director, officer or employee of the Corporation may use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of the state for private business or other compensated non-governmental purposes.
5. No director, officer or employee of the Corporation may engage in any transaction as representative or agent of the Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.
6. No director, officer or employee of the Corporation may by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or

that he or she is affected by the kinship, rank, position or influence of any party or person.

7. Each director, officer or employee of the Corporation must abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.
8. Each director, officer and employee of the Corporation must endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.
9. No director, officer or employee of the Corporation employed on a full-time basis nor any firm or association of which such a director, officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such director, officer or employee, shall sell goods or services to any person, firm, corporation or association which is a party to any contract with the Corporation.
10. If any director, officer or employee of the Corporation shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity undertaken by the Corporation, he or she must file with the Secretary of the Corporation a written statement that he or she has such a financial interest in such activity, which statement shall be open to public inspection.
11. No director, officer or employee of the Corporation shall, directly or indirectly, seek or accept any loan or extension of credit from the Corporation or any subsidiary of the Corporation.

Violations

In addition to any penalty contained in any other provision of law any such officer, member or employee who shall knowingly and intentionally violate any of the provisions of this Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.

Dated: March 25, 2010

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Mckinney's Consolidated Laws of New York Annotated Currentness
UNCONSOLIDATED LAWS (REFS & ANNOS)

TITLE 16. MUNICIPALITIES

CHAPTER 26. ROOSEVELT ISLAND OPERATING CORPORATION

§ 6385. Legislative declaration

The legislature hereby finds, determines and declares that: (a) the city of New York and the New York state urban development corporation have entered into a lease and related agreements providing for the urban development corporation to use its statutory powers to create on Roosevelt Island a new community which would retain and heighten the benefits of urban living while preserving a sense of scale and open space for Roosevelt Island residents and New York city as a whole; (b) the urban development corporation has constructed the first phase of the island's development, including public facilities, pursuant to a general development plan for Roosevelt Island, which plan is being updated and contemplates significant future development on the island, including the provision of additional housing, commercial, civic, recreational and other facilities; (c) it is in the public interest for the urban development corporation to transfer all of its rights and obligations with respect to the development, operation and supervision of both such existing and such proposed development to a public benefit corporation which shall be under the supervision of the commissioner of housing and community renewal; and (d) it is in the public interest that such a public benefit corporation plan, design, develop, operate, maintain and manage Roosevelt Island, that such corporation have vested in it such powers as are necessary or convenient to effectuate those functions and that the division of housing and community renewal be authorized to assist such corporation in the performance of its duties with respect to Roosevelt Island.

§ 6386. Definitions

As used in this act, the following terms shall have the following meanings:

1. "City" shall mean the city of New York.
2. "Commissioner" shall mean the commissioner of housing and community renewal.
3. "Corporation" shall mean the Roosevelt Island operating corporation created by section three of this act.

4. "Development subleases" shall mean (a) the sublease dated August first, nineteen hundred eighty between the urban development corporation and the city, (b) the ground lease, dated October thirtieth, nineteen hundred seventy-two, between the urban development corporation and North Town Phase II Houses, Inc., (c) the ground lease, dated April twenty-fifth, nineteen hundred seventy-three, between the urban development corporation and North Town Phase III Houses, Inc., and (d) the restated ground lease, dated November thirtieth, nineteen hundred seventy-seven, between the urban development corporation and Rivercross Tenants' Corporation.
5. "Division" shall mean the New York state division of housing and community renewal.
6. "Lease" shall mean the lease, dated December twenty-third, nineteen hundred sixty-nine, as heretofore or hereafter amended, among the city of New York, the New York state urban development corporation and the Roosevelt Island development corporation, pursuant to which the city leased substantially all of Roosevelt Island to the New York state urban development corporation for development substantially in accordance with the development plan referred to therein.
7. "Roosevelt Island" shall mean the island located in the East River, city and county of New York, extending from approximately fiftieth street to eighty-sixth street in Manhattan.
8. "Safe affordable housing for everyone, inc." shall mean the New York corporation organized under article six-A of the private housing finance law and under the supervision and control of the commissioner.
9. "Tramway franchise" shall mean the franchise for the Roosevelt Island tramway granted by the city to the urban development corporation on February nineteenth, nineteen hundred seventy-four.
10. "Urban development corporation" shall mean the New York state urban development corporation.

§ 6387. Establishment of corporation; organization of board

1. To effectuate the purposes and provisions of this act, there is hereby created the "Roosevelt Island operating corporation", which shall be a body corporate and politic constituting a public benefit corporation and a political subdivision of the state of New York.
2. The board of directors of the corporation shall be composed of nine members. One member shall be the commissioner, who shall serve as the chair; one member shall be the director of the budget; and seven public members shall be appointed by the governor with the advice and consent of the senate. Of the seven public members, two members, one of whom shall be a resident of Roosevelt Island, shall be appointed upon the recommendation of the mayor of the city; and four additional members shall be residents of Roosevelt Island. Each member shall serve for a

term of four years and until his or her successor shall have been appointed and shall have qualified, except that (a) two of the initial public members appointed by the governor, one of whom is a resident of Roosevelt Island, and the Roosevelt Island resident member appointed upon the recommendation of the mayor of the city shall serve for terms of two years each, and (b) the commissioner and the director of the budget shall serve so long as they continue to hold their respective offices. Any action taken by the directors of the corporation shall be taken by majority vote of the directors then in office. The elected public officials who represent Roosevelt Island shall be representatives to the board of directors of the corporation entitled to receive notice of and attend all meetings of such board but shall not be entitled to vote. Failure to give such notice shall not effect the validity of any action taken at a meeting of such board.

3. The governor may fill any vacancy which occurs on the board of directors of the corporation in a manner consistent with the original appointment. Any member of the corporation may be removed by the governor for cause, but not without an opportunity to be heard, in person or by counsel, in his defense, upon not less than ten days' written notice.

4. The commissioner and the director of the budget may each designate an officer or employee of his respective division to represent such member at meetings of the corporation. Such designation shall be by written notice filed with the chairman or the secretary of the corporation by the member making the designation, and may be revoked at any time by similar notice. Any representative so designated shall have the power to attend and to vote at any meeting of the corporation from which the member making the designation is absent with the same force and effect as if the member making the designation were present and voting. No such designation shall limit the right of the member making the designation to attend and vote in person at any meeting of the corporation.

5. A member of the corporation who is not an officer or employee of the state or the city shall not receive a salary or other compensation, but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties as a member. A member of the corporation who is not an officer or employee of the state or the city may engage in private employment, or in a profession or business, unless otherwise prohibited by law from doing so. Notwithstanding any other provision of law, general, special, or local, no officer or employee of the state or any civil division thereof shall be deemed to have forfeited, or shall forfeit such office of employment because of acceptance of membership in the corporation, or by virtue of being an officer, employee or agent thereof.

§ 6388. Powers of corporation

The corporation's powers shall be limited to carrying out the development, management and operation of Roosevelt Island. In carrying out such development, management and operation, the corporation shall have the power to:

1. Sue and be sued;
2. Have a seal and alter the same at pleasure;
3. Make and alter by-laws for its organization and internal management and make rules and regulations governing the use of its property and facilities;
4. Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this act;
5. Acquire in the name of the corporation by purchase, grant or gift, or by the exercise of the power of eminent domain pursuant to the eminent domain procedure law, or otherwise, real or personal property, or any interest therein deemed necessary or desirable for the development, management or operation of Roosevelt Island, including, without limitation, leasehold interest, air and subsurface rights, easements and lands under water at the site of Roosevelt Island or in the general vicinity thereof, and to subject such property or interest therein to a purchase money or other lien or security interest in connection with the acquisition and development thereof, provided that the corporation shall have no authority or power to issue any notes, bonds or other debt obligations, whether for the purpose of financing the development of Roosevelt Island or otherwise;
6. Hold and dispose of real or personal property for its corporate purposes;
7. Appoint officers, agents and employees, prescribe their duties and fix their compensation in accordance with a staffing and compensation plan submitted to and approved by the director of the budget;
8. Engage the services of private consultants on a contract basis for rendering professional and technical assistance advice;
9. Procure insurance against any loss in connection with its activities, properties and other assets, in such amount and from such insurers as it deems desirable;
10. Charge and collect fees, rents and other charges for the occupancy or other use of real or personal property or facilities owned, operated, managed or regulated by the corporation;
11. Accept any gifts or grants of money or property, or financial or other aid in any form, from the federal government, the state, or the city (or any instrumentality of any such government) or from any other source and, subject to the provisions of this act and other applicable law, to comply with any conditions of such assistance and execute any contracts or other instruments in connection therewith;

12. Invest any funds of the corporation, or any other monies under its custody and control not required for immediate use or disbursement, at the discretion of the corporation, in obligations of the state or the United States government or obligations the principal and interest of which are guaranteed by the state or the United States government, or in any other obligations in which the comptroller of the state is authorized to invest pursuant to section ninety-eight of the state finance law;

13. Enter into such agreements with the state, the urban development corporation and the city as the parties thereto deem appropriate to effectuate the provisions of this act;

14. Assume and perform the obligations and responsibilities of the urban development corporation under the lease, the tramway franchise, and all other contracts, leases, and agreements heretofore entered into by the urban development corporation relating to the development, management and operation of Roosevelt Island (except that the corporation shall not assume any of the rights, duties and responsibilities of the urban development corporation in relation to any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and exercise all of the rights of the urban development corporation with respect thereto; and

15. Do and perform all other acts necessary or convenient to carry out the foregoing in connection with the development, management or operation of Roosevelt Island.

§ 6389. Rules and regulations; approval of development plan amendments; applicability of local laws

1. The corporation shall promulgate such rules and regulations as it shall deem appropriate to provide an opportunity for residents of Roosevelt Island to comment upon any major amendment of the development plan for Roosevelt Island referred to in the lease at a public hearing held prior to its adoption by the corporation.

2. Any amendment of the development plan for Roosevelt Island referred to in the lease shall be subject to the review and approval of the director of the budget, and the corporation shall not enter into any agreement for the design or construction of any improvement provided for in any such amendment prior to such approval.

3. The requirements of all local laws, ordinances, codes, charters or regulations shall be applicable to the construction, alteration or improvement of any building or structure on Roosevelt Island, provided that the corporation may, in lieu of such compliance, determine that the requirements of the New York state uniform fire prevention and building code, formulated by the state fire prevention and building code council pursuant to article eighteen of the executive law, shall be applicable to such work. In the event of such compliance with the New York state uniform fire prevention and building code, the city shall have no power to modify any drawings, plans or

specifications for such work or for the plumbing, heating, lighting or other mechanical branches thereof, or to require that any person, firm or corporation employed on any such work perform the same except as provided by such plans and specifications or obtain any additional authority, approval, permit or certificate from the city in connection therewith.

§ 6390. Powers and duties of Urban Development Corporation; lease and tramway franchise

1. The corporation shall perform all obligations of the urban development corporation or any of its subsidiaries with respect to the development, management and operation of Roosevelt Island, including, without limitation, all such obligations arising under the lease and the tramway franchise.
2. The urban development corporation, the division and the corporation shall each use their best efforts to obtain any required consents to the assignment of the lease and the tramway franchise from the urban development corporation to the corporation and to any other assumption by the corporation of the obligations of the urban development corporation or any of its subsidiaries under any other contracts, leases, agreements or instruments entered into by the urban development corporation, or any such subsidiary, relating to the development, management or operation of Roosevelt Island (other than any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and, upon obtaining such consents, the corporation and the urban development corporation shall enter into such agreements and take such actions as shall be necessary to effectuate such assignments and assumptions, provided that in order to permit the urban development corporation to recover the investment which it has heretofore made in the development of Roosevelt Island, such agreements shall provide appropriate assurances satisfactory to the urban development corporation (a) for the prompt payment directly to the urban development corporation of (i) all sums from time to time due from lessees under the development subleases and (ii) all sums received by the corporation from the city in connection with the termination of the lease, and (b) for the amending or supplementing of the development subleases to the extent, if any, necessary to protect the rights of the holders of any mortgages on the leasehold interests created thereunder. Nothing in this act shall (a) constitute or authorize an assignment by the urban development corporation (or any subsidiary thereof) of any mortgage or security interest held by the urban development corporation (or any such subsidiary) on any real or personal property or interest therein on Roosevelt Island or any rights or obligations of the urban development corporation (or any such subsidiary) arising under any such mortgage or security agreement, (b) relieve the urban development corporation of any of its obligations under any bonds heretofore issued by the urban development corporation, or (c) otherwise affect the interests of the holders of any such bonds.
3. All revenues (other than state appropriations) derived from the contracts, leases, agreements or instruments assigned to or assumed by the corporation pursuant to subdivision two of this section shall be applied first to the payment of those obligations assigned to or assumed by the corporation.

4. The urban development corporation and the corporation are hereby authorized to enter into such agreements with the city as the corporation shall determine to be appropriate to amend, reform or supplement the lease (including the development plan referred to therein) and the tramway franchise in order to carry out the purposes of this act. The provisions of any general, special or local law notwithstanding, the city is hereby authorized, upon the approval of the board of estimate of the city, to enter into any such agreements with the corporation and the urban development corporation.

§ 6391. Equal employment opportunities

1. The corporation shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such action shall be taken with reference, but not be limited, to recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rate of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training.

2. The corporation shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the corporation's obligations hereunder.

3. The corporation shall state, in all solicitations or advertisements for employees placed by or on behalf of the corporation, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

4. The corporation shall seek meaningful participation by minority business enterprises in the programs of the corporation and shall actively and affirmatively promote and assist their participation in the corporation's programs, so as to facilitate the award of a fair share of contracts to such enterprises. For purposes hereof, "minority business enterprise" shall mean any business enterprise which is at least fifty-one per centum owned by, or in the case of publicly owned business, at least fifty-one per centum of the stock of which is owned by, citizens or permanent resident aliens who are Black, Hispanic, Asian, American Indian or women, and such ownership interest is real, substantial and continuing.

§ 6392. Indemnification; notice of claim

a. 1. The state shall indemnify and hold harmless the corporation, urban development corporation and safe affordable housing for everyone, inc., and pursuant to section seventeen of the public officers law, their respective officers, directors and employees, from and against any and all liability, claim, loss, damage, suit or judgment and any and all costs and expenses (including, but not limited to, counsel fees and disbursements) that such corporations or their officers, directors or employees may suffer or incur, whether before or after the date hereof, as a result of either (a) the development, management or operation of Roosevelt Island or (b) the performance or non-performance by the division of any of its obligations or duties with respect to Roosevelt Island. All of the provisions of section seventeen of the public officers law which are not inconsistent with this section shall apply to the officers, directors, and employees of such corporations, including the provisions relating to the defense by the attorney general or private counsel of any civil action and the payment of legal costs incurred in connection with the defense of any such action. Any member, officer or employee of such corporations seeking to be saved harmless or indemnified or to claim any other benefits available pursuant to this section or section seventeen of the public officers law shall comply with the procedural requirements of such section seventeen. As used in this section the terms “member”, “officer” and “employee” shall include a former member, officer or employee, his estate or judicially appointed personal representative.

2. A notice of claim, served in accordance with the provisions of section fifty-e of the general municipal law, shall be a condition precedent to the commencement of an action against the corporation, its officers, directors and employees. No such action shall be commenced more than one year after it has accrued, except that an action against the corporation for wrongful death shall be commenced within the notice of claim and time limitation provisions of title eleven of article nine of the public authorities law.

b. 1. Notwithstanding the provisions of section one hundred thirteen of the retirement and social security law and any other general, special or local law, the Roosevelt Island operating corporation shall provide to persons employed by the Roosevelt Island operating corporation any retirement, disability, death or other benefits provided or required pursuant to any agreement with a labor union of which its employees are members, and the Roosevelt Island operating corporation is hereby authorized to retroactively or in the future make such contributions as may be necessary to provide such benefits.

2. For purposes of the retirement and social security law, persons employed by the Roosevelt Island operating corporation and to whom the Roosevelt Island operating corporation provides any retirement, disability, death and other benefits required pursuant to any agreement with a labor union of which its employees are members, shall be deemed not to be employees of the Roosevelt Island operating corporation. Such other persons who are employees of the Roosevelt Island operating corporation as of the effective date of this act shall be eligible to receive credit under the retirement and social security law for previous service with the entities (or where applicable, their subsidiaries) made subject to section seventeen of the public officers law by subdivision a of this section.

§ 6393. Annual budget and report

1. On or before September fifteenth, nineteen hundred eighty-four and on each September fifteenth thereafter, the chairman of the corporation shall make and deliver to the director of the budget for his review a proposed budget for the operation of the corporation for the next fiscal year of the state. The chairman of the corporation shall also deliver a copy of such budget to the chairman of the senate finance committee and the chairman of the assembly ways and means committee at the same time that the budget is delivered to the director of the budget. The budget shall include the total amount needed for corporate purposes, including the funds required by the corporation for operation of Roosevelt Island facilities and improvements, the source of all funds that the corporation expects to receive and such other information as the director of the budget shall require. The governor shall recommend in his annual budget such appropriations to the corporation for its operations as he deems necessary.

2. The corporation shall submit to the director of the budget, chairman of the senate finance committee and chairman of the assembly ways and means committee, within ninety days after the end of its fiscal year, a complete and detailed report setting forth (a) its operations and accomplishments, and (b) its receipts and expenditures during such fiscal year in accordance with categories and classifications established by the corporation, with the approval of the director of the budget, for its operating and capital outlay purposes.

§ 6394. Future management study

The corporation shall also study the future operation and management of Roosevelt Island. Such study shall be completed by December thirty-first, nineteen hundred eighty-five.

§ 6394-a. Open space development prohibited

Notwithstanding any other provision of this act, or any other law to the contrary, on or after the effective date of this section, no further development or construction for other than park purposes shall be permitted on any real property which is identified as open space areas in the general development plan as amended May 10, 1990 and approved by the board of estimate of the city of New York on August 17, 1990 and referred to in the lease defined in subdivision six of section two of this act, and on such real property shall remain open space areas for the duration of the lease unless such development or construction includes the reconstruction, restoration, rehabilitation or preservation of the historic landmarks located in such open space areas and furthers the use of the areas surrounding the historic landmarks as open space areas. Open space areas, as used in this section shall be limited to Lighthouse park, Octagon park, Blackwell park, and South Point park.

§ 6395. Liability for corporate obligations; tax exemption

1. The obligations of the corporation shall not be debts of the state, and the state shall not be liable thereon, and such obligations shall not be payable out of any funds other than those of the corporation.

2. It is hereby found, determined and declared that the creation of the corporation and the carrying out of its purposes is in all respects for the benefit of the people of the state and is a public purpose, and that the corporation will be performing an essential governmental function in the exercise of the powers conferred upon it by this act. The corporation and its operations, property and moneys shall be free and exempt from taxation of every kind by the city and the state and any subdivision thereof. Except as hereinabove provided and except as may otherwise specifically be provided, nothing contained in this act shall confer exemption from any tax, assessment or fee upon any person, firm, corporation or other entity, or upon the obligations of any of them.

§ 6396. Division of Housing and Community Renewal; assistance and services

The corporation may from time to time request the division to perform such services and render such technical assistance to the corporation with respect to the development, management or operation of Roosevelt Island as the corporation deems necessary or convenient and may provide for the reimbursement to the division by the corporation of the reasonable cost of such services. The division is hereby authorized to perform such services and render such technical assistance as may be agreed upon between the division and the corporation pursuant to this section. In addition, the commissioner is hereby authorized to represent the corporation in any negotiations with the city concerning amendments or supplements to or reformations of the lease and tramway franchise as contemplated by section six of this act.

§ 6397. Operation of motor vehicles

In addition to any other power conferred upon it by this act, the corporation is hereby authorized to prescribe rules and regulations governing the operation (including the parking, standing or stopping) of vehicles on Roosevelt Island; provided however, that such rules and regulations shall not restrict access to any city facilities situated on Roosevelt Island nor unreasonably restrict parking by city of New York employees, their visitors and invitees. The violation of such rules or regulations shall be an offense punishable upon a first conviction thereof by a fine of not more than fifty dollars, upon a second within a period of eighteen months by a fine of not more than one hundred fifty dollars, and upon a third or subsequent conviction thereof within a period of eighteen months by a fine of not more than one hundred fifty dollars, or by imprisonment for not more than thirty days, or by both such fine and such imprisonment. For purposes of enforcement and administration of such rules and regulations, including but not limited to conferring jurisdiction with respect thereto upon the applicable courts and administrative tribunals, all provisions of law relating to, and rules or regulations of, the New York city department of transportation not inconsistent with this act shall be applicable.

§ 6398. Separability of provisions

If any section, clause or provision of this act or the application thereof shall be adjudged invalid, such judgment shall not affect or invalidate any other section, clause or provision of this act.

§ 6399. Transfer of appropriations

1. Notwithstanding the provisions of any general or special law, the director of the budget is authorized to transfer to the corporation from funds appropriated to the division for the fiscal year beginning April first, nineteen hundred eighty-four, the amount he determines necessary to carry out the provisions of this act, including providing for Roosevelt Island operations, capital improvement program and any other appropriate management expenses.

2. Notwithstanding the provisions of any general or special law, no part of such appropriations shall be available for the purposes designated until a certificate of approval of availability shall have been issued by the director of the budget and a copy of such certificate is filed with the state comptroller, the chairman of the senate finance committee and the chairman of the assembly ways and means committee. Such certificate may be amended from time to time, subject to the approval of the director of the budget, and a copy of each such amendment shall be filed with the state comptroller, the chairman of the senate finance committee and the chairman of the assembly ways and means committee.



**Roosevelt Island
Operating Corporation**
of the State of New York
591 Main Street
Roosevelt Island, NY 10044
(212) 832-4540
rioc.ny.gov

Andrew M. Cuomo
Governor

Leslie Torres
President
Chief Executive Officer

Fernando Martinez
Vice President
Operations

Steven Chironis
Vice President
Chief Financial Officer

Donald D. Lewis
Vice President
General Counsel

Board of Directors
Darryl C. Towns
Chairperson
Fay Fryer Christian
Salvatore Ferrera
Katherine Teets Grimm
David Kraut
Robert L. Megna
Howard Polivy
Michael Shinozaki
Margaret Smith

**COMMITTEES OF THE BOARD OF DIRECTORS AS OF
March 31, 2012**

COMMITTEES MEMBERS

Audit Committee – Established February 11, 1999

Howard Polivy (Chair), David Kraut, and the DOB designee

Real Estate Development Advisory Committee – Established March 13, 2003

Howard Polivy (Chair); Dr. Katherine Grimm; and Fay Christian

Operations Advisory Committee – Established July 13, 2000

Michael Shinozaki (Chair), David Kraut, Margie Smith

Governance Committee – Established September 8, 2005

Margie Smith (Chair), David Kraut, Howard Polivy



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David Kraut
Robert L. Megna
Howard Polivy
Michael Shinozaki
Margaret Smith

List of Board Meetings and Attendance For the 2011-12 Fiscal Year

May 18, 2011

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on May 18, 2011 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)
- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Fay Fryer Christian – Director
- Dr. Katherine Teets Grimm – Director
- Jonathan Kalkin – Director
- David Kraut – Director
- Michael Shinozaki – Director
- Margaret Smith – Director

Directors Absent:

- Howard Polivy – Director

June 29, 2011

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on June 29, 2011 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)
- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Fay Fryer Christian – Director
- Dr. Salvatore Ferrera - Director
- Dr. Katherine Teets Grimm – Director
- David Kraut – Director
- Howard Polivy – Director
- Margaret Smith – Director

Directors Absent:

- Michael Shinozaki – Director

August 3, 2011

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on August 3, 2011 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)
- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Fay Fryer Christian – Director
- Dr. Salvatore Ferrera - Director
- Dr. Katherine Teets Grimm – Director
- David Kraut – Director
- Howard Polivy – Director
- Margaret Smith – Director

Directors Absent:

Michael Shinozaki – Director

September 21, 2011

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on September 21, 2011 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)
- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Fay Fryer Christian – Director
- Dr. Salvatore Ferrera - Director
- David Kraut – Director
- Howard Polivy – Director
- Margaret Smith – Director
- Michael Shinozaki – Director

Directors Absent:

- Dr. Katherine Teets Grimm – Director

December 14, 2011

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on December 14, 2011 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)
- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Fay Fryer Christian – Director
- Dr. Salvatore Ferrera - Director
- Dr. Katherine Teets Grimm – Director
- David Kraut – Director
- Howard Polivy – Director
- Margaret Smith – Director

- Michael Shinozaki – Director

January 19, 2012

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on January 19, 2012 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)
- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Dr. Salvatore Ferrera – Director
- Dr. Katherine Teets Grimm – Director
- David Kraut – Director
- Howard Polivy – Director

Directors Absent:

- Fay Fryer Christian – Director
- Margaret Smith – Director
- Michael Shinozaki - Director

March 1, 2012

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on March 1, 2012 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)
- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Fay Fryer Christian – Director
- Dr. Salvatore Ferrera – Director
- David Kraut – Director
- Howard Polivy – Director
- Michael Shinozaki - Director
- Margaret Smith – Director

Directors Absent:

- Dr. Katherine Teets Grimm – Director

April 19, 2012

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island on April 19, 2012 at 5:30 p.m.

Directors Present:

- Darryl C. Towns – RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal (“DHCR”)

- Meghan Anderson Representing Robert L. Megna – Director, the New York State Division of Budget
- Fay Fryer Christian – Director
- Dr. Salvatore Ferrera – Director
- Dr. Katherine Teets Grimm – Director
- David Kraut – Director
- Michael Shinozaki - Director
- Margaret Smith – Director

Directors Absent:

- Howard Polivy – Director

ADOPTED JULY 1, 1985
AMENDED JANUARY 14, 1988
AMENDED MAY 11, 1989
AMENDED DECEMBER 1989
AMENDED JULY 12, 1990
AMENDED AS OF APRIL 14, 1994
AMENDED AS OF FEBRUARY 11, 1999
AMENDED JUNE 29, 2006
AMENDED MARCH 25, 2010

BY-LAWS
OF
ROOSEVELT ISLAND OPERATING CORPORATION

ARTICLE I

THE CORPORATION

Section 1. Description. The Roosevelt Island Operating Corporation (the "Corporation") is a body corporate and politic constituting a public benefit corporation and a political subdivision of the State of New York, created and having the powers and functions set forth in Chapter 899 of the Laws of 1984, as amended (the Roosevelt Island Operating Corporation Act) ("the Act").

Section 2. Offices. The principal office of the Corporation shall be located on Roosevelt Island, in the City, County, State of New York. The Corporation may also have offices at such other place or places within the State of New York as it may from time to time designate by resolution of its Board of Directors.

Section 3. Seal. The official seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its creation. Such seal may also include such other insignia as may be approved by the Corporation.

ARTICLE II

DIRECTORS

Section 1. Number. The business and affairs of the Corporation shall be managed by a Board of nine (9) directors that shall exercise all of the powers of the Corporation. The elected public officials who represent Roosevelt Island shall be representatives to the Board of Directors of the Corporation entitled to receive notice of and attend all meetings of such Board, but shall not be entitled to vote.

Section 2. Chairperson. The Commissioner of Housing and Community Renewal (the "Commissioner") shall be the Chairperson of the Board of Directors.

Section 3. Terms of Office. The selection of members of the Board of Directors and their tenures shall be as set forth in Section 3.2 of the Act.

Section 4. Property Interest of Directors. No director of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation, either prior to or at the time of any liquidation or dissolution of the Corporation.

Section 5. Non-Liability for Debts. The private property of any director shall be exempt from execution or other liability for any debts of the Corporation and no director shall be liable or responsible for any debts or liabilities of the Corporation. Pursuant to Section 8 of the Act, the State shall indemnify and hold harmless the officers and directors of the Corporation from all liability as a result of their performance or non-performance of their duties with respect to the development, management or operation of Roosevelt Island.

Section 6. Compensation. A member of the Board of Directors of the Corporation is entitled to reimbursement for his or her actual and necessary expenses incurred in the performance of his or her official duties as a member. No director may receive any other salary or compensation for his or her services.

Section 7. Removal. Any member of the Board of Directors may be removed by the Governor for cause, after opportunity to be heard upon not less than 10 days notice.

ARTICLE III

MEETINGS

Section 1. Meetings. Meetings of the directors may be called by the Chairperson or upon request of three (3) or more of the directors and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairperson or the directors calling the meeting shall fix the time for the holding of the meeting. All meetings shall be at the office of the

Corporation or at such other place as the Board or the Chairperson may designate.

Section 2. Notice. Written notice of the time, place and purpose of any meeting of the directors shall be delivered to each director by the Secretary, if personally or by telefacsimile at least seventy-two hours prior thereto or if by mail at least ten days prior thereto. Written notices of all directors' meetings shall be delivered to the elected public officials who represent Roosevelt Island, as representatives to the board of directors, not less than two days prior thereto if delivered personally or five days prior thereto if delivered by mail. Failure to give notice to public officials shall not affect the validity of any action taken at a meeting. Any notices mailed hereunder shall be deemed to have been given when deposited in the United States mail addressed to the director, or representative, at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 3. Quorum and Voting. A majority of the members of the Board then in office shall constitute a quorum; provided that if less than a majority of the directors is present at any meeting, the directors present may adjourn the meeting; and provided further that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. Any action taken by the Board shall be taken by a majority vote of the directors then in office.

Section 4. Order of Business. At the regular meetings of the Corporation the following shall be the order of business.

1. Call to Order.
2. Roll Call.
3. Approval of the minutes of the previous meeting. A copy of the minutes of the previous meeting shall be sent to each director not later than ten business days in advance of the meeting at which the same are to be considered, and, if no corrections or amendments are made therein, shall be deemed approved.
4. Old Business.
5. New Business.

6. Adjournment.

Section 5. Resolutions to be in Writing. All proposed resolutions shall be presented in writing to the directors present and, upon adoption, each resolution shall be copied in or attached to the minutes of the meeting.

Section 6. Manner of Voting. Voting on all questions at meetings shall be by roll call, and the yeas and nays shall be entered upon the minutes of such meeting, except that the election of officers may be by majority vote without the necessity of recording the individual votes upon the minutes.

Section 7. Approval of Resolutions without Meeting. Resolutions, which the Chairperson desires to be considered by the directors without holding a meeting thereon may be delivered in person or mailed to the business or home address of each director, and upon the written approval of such resolutions by a majority of the directors then in office, and less than three members dissenting, the same shall become effective as if introduced and passed at a meeting of the directors duly called and held.

Section 8. Proxies. Only the Commissioner of the Division of Housing and Community Renewal and the Director of the Budget may designate an officer or employee of such director's respective division to represent such director at meetings of the Board. Such designation shall be by written notice, filed with the Chairperson and Secretary of the Corporation, and may be revoked at any time by similar notice. Any representative designated hereunder shall be notified of all meetings of the Board and shall have the power to attend and vote at such meetings. However, the director making the designation may attend and vote at any meeting in place and stead of the designated representative.

Section 9. Waiver of Notice. Any director of the Board may waive in a signed writing any notice of a meeting required to be given by these By-Laws before or after such meeting, or at such meeting if such director shall be present at such meeting. The attendance of a director or representative to the Board at any meeting shall constitute a waiver of notice of such meeting by such director except in case a director shall attend a meeting and, prior thereto or at the commencement thereof, protest the lack of notice to him or

her. Notice of an adjourned meeting need not be given to any director present at the time of adjournment.

ARTICLE IV

OFFICERS

Section 1. Appointment. The officers of the Corporation shall be the Chairperson as provided in the Act, the President and Chief Executive Officer, the Vice President, the Chief Fiscal Officer, the Secretary, the Assistant Secretary, and the Treasurer, and such other officers or deputies of officers as may be determined by the Board from time to time to perform such duties as may be designated by the Board. None of the officers of the Corporation need be members of the Board unless otherwise required by applicable law. A person who is otherwise qualified may hold more than one office.

Section 2. Election and Term of Office. Except as otherwise provided in the Act, the officers shall be elected by resolution at a regular meeting of the Board. Each officer shall hold office, unless removed, until his or her successor shall have been elected. Except as otherwise provided in the Act, a vacancy in any office shall be filled by the Board.

Section 3. Removal of Offices by Directors. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby.

Section 4. Chairperson. The Chairperson shall preside at the meetings of the Directors. In addition, the Chairperson shall take a lead in the Board's oversight role, which includes setting the Board's agenda, managing the flow of information to the Board, coordinating the work of the Board's committees and serving as the primary liaison between the Board and senior management.

Section 5. President and Chief Executive Officer. The President and Chief Executive Officer:

- (a) shall be responsible for the discharge of the executive and administrative functions and powers of the Corporation, and shall supervise and control the business and affairs of the Corporation;
- (b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board, or by these By-Laws, to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and
- (c) shall in general perform all duties incident to the office of President and Chief Executive Officer.

Section 6. Vice President. In the absence of the President and Chief Executive Officer or in the event of his or her inability or refusal to act, the Vice President:

- (a) shall perform the duties of the President and Chief Executive Officer;
- (b) the Vice President shall also perform such other duties as from time to time may be assigned to him or her by the Board.

Section 7. Secretary. The Secretary shall:

- (a) keep the minutes of the meetings of the Board in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these By-Laws or as required by Law;
- (c) be custodian of the records of the Corporation;
- (d) keep a register of the names and post office addresses of all members of the board of directors and all of the elected officials who are representatives to the Board;

- (e) have general charge of the books of the Corporation;
- (f) keep on file at all times a complete copy of the Act and By-Laws of the Corporation containing all amendments thereto; and
- (g) in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to her or him by the Board.

Section 8. Treasurer. The Treasurer shall, subject to the guidance and direction of the President and Chief Executive Officer:

- (a) have charge and custody of and be responsible for all funds and securities of the Corporation;
- (b) be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of Corporation in such bank or banks, trust companies or other depositories, as shall be selected in accordance with the provisions of these By-Laws;
- (c) act as controller of the Corporation and shall be in charge of the books and accounts, the accounting procedures and financial operations of the Corporation, and
- (d) in general perform all the duties incident to the office of Treasurer, and such other duties as from time to time be assigned to her or him by the Board or President.

Section 9. Compensation. The powers, duties and compensation, if any, of officers and employees shall be fixed by the Board, subject to the provisions of applicable laws and these By-Laws. No Chairperson who is also the President and Chief Executive Officer shall participate in determining the level of compensation or reimbursement, or time and attendance rules for the position of the President and Chief Executive Officer.

ARTICLE V
FINANCIAL TRANSACTIONS

Section 1. Approval of Activities. All of the activities of the Corporation shall be and remain subject to the supervision and control of the Board of Directors.

Section 2. Contracts. Except as otherwise provided in these By-Laws, the Board may authorize any officer or officers, agent or agents, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc.. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

Section 4. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks, trust companies or other depositories as the Board may select.

Section 5. Fiscal Year. The fiscal year of the Corporation shall mean a twelve month period commencing April 1st of each and every year and shall end on the following March 31st.

Section 6. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or any special purpose of the Corporation.

Section 7. Loans. The Board of Directors shall not, directly or indirectly, including through a subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, board member or employee of the Corporation.

ARTICLE VI

BOOKS, RECORDS, AUDITS AND REVIEWS

Section 1. Books and Records. The Corporation shall keep correct and complete books, records and accounts and shall also keep minutes of the proceedings of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the directors. All books and records of the Corporation may be inspected by the New York State Department of Audit and Control.

Section 2. Audits. The Corporation shall annually cause an audit to be performed by an independent certified public accountant.

ARTICLE VII

INDEMNIFICATION

Section 1. Defense and Indemnification of Directors, Officers and Employees of the Corporation. The Corporation confers the benefits of Section 18 of the Public Officers Law upon its directors, officers and employees and shall be held liable for the costs incurred under such provisions.

ARTICLE VIII

MISCELLANEOUS

Section 1. Rules and Regulations. The Board shall have power to make and adopt such rules and regulations not inconsistent with law, the Act, or these By-Laws, as it may deem advisable for the management of the business and affairs of the Corporation.

Section 2. Standing and Advisory Committees. The Board of Directors shall, by resolution, establish a governance committee and an audit committee as standing committees, and by resolution, establish other standing and advisory committees. The purposes of these committees are to be specified in their adopting resolution. Standing and advisory committees shall serve at the pleasure of the Board of Directors. At least one member of the Board of Directors shall be appointed by the chairperson with the consent of the Board of Directors. Under no circumstances may the number of Directors serving on any standing or advisory committee be equal to the number of Directors needed for a quorum of a meeting of the Board of Directors then in office.

Section 3. Governance Committee. The governance committee shall be comprised of not less than three Directors who (1) are each independent, as such term is defined in Section 2825 of the Public Authorities Law; (2) shall constitute a majority on the committee; and (3) shall possess the necessary skills to understand the duties and functions of the governance committee; provided, however, that in the event that the Board has less than three independent members, the Board may appoint non-independent members to the governance committee, provided that independent members must constitute a majority of the members of the governance committee. It shall be the responsibility of the governance committee to keep the Board of Directors informed of current best governance practices; to review corporate governance trends; to recommend updates to the Corporation's corporate governance principles; to advise appointing authorities on the skills and experiences required of potential Board members; to examine ethical and conflict of interest issues; to perform Board self-evaluations; and to recommend by-laws which include rules and procedures for conduct of Board business.

Section 4. Audit Committee. The audit committee shall be comprised of not less than three Directors who (1) are each independent, as such term is defined in Section 2825 of the Public Authorities Law; (2) shall constitute a majority of such committee; and (3) shall possess the necessary skills to understand the duties and functions of the audit committee; provided, however, that in the event that the Board has less than three independent members, the Board may appoint non-independent members to the audit committee, provided that independent members must constitute a majority of the members of the audit

committee. The committee shall recommend to the Board of Directors the hiring of a certified independent accounting firm for the Corporation, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes. Members of the audit committee shall be familiar with corporate financial and accounting practices.

ARTICLE IX

AMENDMENTS TO BY-LAWS

The By-Laws may be altered, amended, or repealed by a majority of the directors then in office at any meeting, provided notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or such requirement shall have been duly waived by all directors.

BYLAWS.10

The Roosevelt Island Operating Corporation (RIOC)
 CAPITAL IMPROVEMENTS (In Thousands)
 Approved Budget FY 2012 Fund 03 - Capital Project Fund

5% inflation rate

	Approved Budget	Projected Actual	Approved Budget	Projected Budget	Budgets 2012 - 2026													
	2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
1 Sports Fields/Parks	\$2,730	\$1,500	\$615	\$1,300	\$1,315	\$1,331	\$347	\$365	\$383	\$402	\$422	\$443	\$465	\$489	\$513	\$539	\$566	\$9,495
Octagon Field Project	\$1,800	\$1,500																\$0
Octagon Park - Sprinkler/Landscaping/Benches			\$50															\$50
Octagon Park - Comfort Station Rehab			\$60															\$60
Octagon Park - Tennis Court Resurfacing			\$50															\$50
Capobianco Park - Seat Wall Replacement	\$80		\$80															\$80
Capobianco Park - Comfort Station			\$150															\$150
Firefighters Field - Comfort Station	\$150		\$150															\$150
Mediation Steps			\$75															\$75
Blackwell Park	\$500			\$1,000	\$1,000	\$1,000												\$3,000
Miscellaneous Upgrades & Improvements - Reserve	\$200			\$300	\$315	\$331	\$347	\$365	\$383	\$402	\$422	\$443	\$465	\$489	\$513	\$539	\$566	\$5,880
2 Historic & Landmark Structures	\$1,640	\$715	\$1,880	\$700	\$210	\$221	\$232	\$243	\$255	\$268	\$281	\$295	\$310	\$326	\$342	\$359	\$377	\$6,300
Blackwell House Interior renovation	\$440	\$15	\$800															\$800
Good Shepherd - HVAC	\$700	\$700																\$0
Good Shepherd - Roof Replacement	\$400		\$600															\$600
Good Shepherd - Façade Repointing			\$100															\$100
Good Shepherd - Interior Repairs/Doors			\$100															\$100
Good Shepherd - Alarm System			\$80															\$80
Blackwell Lighthouse Restoration			\$200	\$500														\$700
Miscellaneous Upgrades & Improvements - Reserve	\$100			\$200	\$210	\$221	\$232	\$243	\$255	\$268	\$281	\$295	\$310	\$326	\$342	\$359	\$377	\$3,920
3 Infrastructure Improvements	\$8,375	\$230	\$3,275	\$7,064	\$2,557	\$2,055	\$2,158	\$1,344	\$1,412	\$1,482	\$1,556	\$1,634	\$1,716	\$1,802	\$1,892	\$1,986	\$2,086	\$34,017
Island-Wide Road Improvements	\$800		\$800	\$840	\$882	\$926	\$972	\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$5,678
Island-Wide Z Brick Replacement	\$100	\$100	\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$163	\$171	\$180	\$189	\$198	\$2,158
Good Shepard Plaza - Pavement Replacement	\$600		\$600															\$600
36 Avenue Bridge Helix (Ramp)	\$4,000	\$70	\$300	\$2,000														\$2,300
Seawall - Reserve	\$500		\$500	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$855	\$898	\$943	\$990	\$10,789
Seawall Railings Replacement	\$2,000		\$600	\$600	\$600													\$1,800
West Drive Modernization				\$2,000														\$2,000
Western Pier				\$100														\$100
Eastern Pier				\$500														\$500
Site Amenities - Benches, Waste Receptacles - Res.	\$75	\$30	\$75	\$79	\$83	\$87	\$91	\$96	\$101	\$106	\$111	\$116	\$122	\$128	\$135	\$141	\$148	\$1,618
Utilities Infrastructure Improvements - Reserve	\$100	\$30	\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$163	\$171	\$180	\$189	\$198	\$2,158
Sewer Upgrades - Reserve	\$200		\$200	\$210	\$221	\$232	\$243	\$255	\$268	\$281	\$295	\$310	\$326	\$342	\$359	\$377	\$396	\$4,316
4 Facilities & Offices	\$3,700	\$1,610	\$3,610	\$2,305	\$530	\$557	\$585	\$614	\$645	\$677	\$711	\$746	\$783	\$823	\$864	\$907	\$952	\$15,307
Motorgate Project Repairs Project	\$1,000	\$1,000																\$0
Motorgate Garage - Reserve				\$200	\$210	\$221	\$232	\$243	\$255	\$268	\$281	\$295	\$310	\$326	\$342	\$359	\$377	\$3,920
Motorgate Atrium/Escalator/N.Elevators				\$500														\$500
Motorgate Under deck Lighting			\$450															\$450
Motorgate Enclosed Phase 3 Air Shaft			\$80															\$80
Motorgate Coat Level 3 Deck			\$320															\$320
Motorgate Coat Roof Deck			\$470															\$470
Motorgate Fire Alarm Rehabilitation			\$40															\$40
504 Main Street - Interior Demolition			\$200															\$200
504 Main Street - Window/Door Replacement			\$150															\$150
504 Main Street - ADA Elevator			\$250															\$250
PS Offices - Sound Barrier			\$70															\$70
PS Offices - Basement Flooring Repair			\$30															\$30
AVAC Stack Repairs				\$400														\$400
AVAC Interior Painting				\$300														\$300
AVAC Building Rehab Project	\$600	\$500																\$0
AVAC Mechanical/Piping - Reserve	\$200	\$60	\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$163	\$171	\$180	\$189	\$198	\$2,158
Sportspark - HVAC	\$600		\$600															\$600
Sportspark - Roof	\$600			\$600														\$600
Sportspark - Pool Filter	\$100		\$100															\$100
Sportspark - Façade Repointing			\$100															\$100

The Roosevelt Island Operating Corporation (RIOC)
 CAPITAL IMPROVEMENTS (In Thousands)
 Approved Budget FY 2012 Fund 03 - Capital Project Fund

5% inflation rate

	Approved Budget	Projected Actual	Approved Budget	Projected Budget	Budgets 2012 - 2026	Total													
	2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026		
Sportspark - Removal of Generator			\$50																\$50
Sportspark Rehabilitation - Reserve	\$100	\$50		\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$163	\$171	\$180	\$189	\$1,960	\$1,960
Warehouse/Bus Garage Rehabilitation (HVAC)	\$300		\$600																\$600
Miscellaneous Facilities & Offices - Reserve	\$200			\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$163	\$171	\$180	\$189	\$1,960	\$1,960
5 Equipment & Vehicles	\$1,079	\$395	\$374	\$133	\$229	\$203	\$222	\$144	\$388	\$226	\$269	\$1,199	\$1,375	\$1,379	\$1,581	\$1,488	\$1,668	\$9,602	\$9,602
Admin - (2) GEMs (50% paid by NYPA)	\$20	\$20	\$20				\$25				\$30				\$35			\$110	\$110
Bus - Hybrid Buses	\$650	\$320										\$1,000	\$1,050	\$1,103	\$1,158	\$1,216	\$1,276	\$5,526	\$5,526
Bus - F-350 Pickup			\$30						\$40							\$60		\$130	\$130
Bus - Sissor Lift			\$10															\$10	\$10
P.S. - Ford Escapes	\$20	\$20	\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
P.S. - Segways	\$14	\$14	\$14	\$15	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23	\$24	\$25	\$26	\$28	\$302	\$302
P.S. - Gem			\$10		\$11		\$12		\$14		\$15		\$16		\$18		\$20	\$116	\$116
P.S. - Upgrade Rooftop Radio Repeater	\$25																	\$0	\$0
P.S. - (4) Substations (Tram/Lighthouse/Bridge/SP Park)	\$100		\$50															\$50	\$50
Motorpool - (2) GEMs (50% paid by NYPA)			\$15			\$30				\$40				\$50				\$135	\$135
Motorpool - F-150 Pickup	\$25	\$25							\$35						\$45			\$80	\$80
Motorpool - Maintenance Software & Hardware																		\$0	\$0
Parks & Recreation- Ford Escape	\$15	\$16		\$15					\$20						\$25			\$60	\$60
IT - Servers					\$50				\$55				\$62				\$70	\$237	\$237
IT - Plotter						\$25				\$28				\$34				\$87	\$87
IT - Parking Meter Replacement	\$15		\$15			\$18			\$21			\$24		\$28				\$106	\$106
IT - Software Upgrades	\$30		\$30	\$32	\$33	\$35	\$36	\$38	\$40	\$42	\$44	\$47	\$49	\$51	\$54	\$57	\$59	\$647	\$647
IT - (2) Copiers	\$20		\$20		\$22		\$24		\$26		\$29		\$32		\$35		\$39	\$227	\$227
IT - (20 PC Replacements)	\$25		\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
IT - Upgrade of Switches	\$20		\$20		\$22		\$24		\$26		\$29		\$32		\$35		\$40	\$228	\$228
Excavator	\$40		\$40															\$40	\$40
(2) Bobcats	\$60		\$60															\$60	\$60
Misc. Heavy equipment				\$30	\$32	\$33	\$35	\$36	\$38	\$40	\$42	\$44	\$47	\$49	\$51	\$54	\$57	\$588	\$588
6 Special Projects	\$620	\$425	\$800	\$50	\$53	\$55	\$58	\$61	\$64	\$67	\$70	\$74	\$78	\$81	\$86	\$90	\$94	\$1,780	\$1,780
Admin - Islandwide Geographic Information System	\$220		\$250															\$250	\$250
Admin - Records Management Project	\$75	\$75	\$75															\$75	\$75
P.S. - Island Wireless Security Camera System	\$250	\$350	\$350															\$350	\$350
IT - Off-Site Data Backup Recovery System	\$75		\$75															\$75	\$75
Other - Special Projects			\$50	\$50	\$53	\$55	\$58	\$61	\$64	\$67	\$70	\$74	\$78	\$81	\$86	\$90	\$94	\$1,030	\$1,030
7 Lighting & Signage	\$220	\$0	\$40	\$42	\$44	\$46	\$49	\$51	\$54	\$56	\$59	\$62	\$65	\$68	\$72	\$75	\$79	\$863	\$863
Street Light Replacement	\$20		\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
Signage	\$200		\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
8 Tram	\$10,020	\$8,000	\$2,000	\$100	\$0	\$80	\$0	\$700	\$0	\$100	\$0	\$0	\$880	\$275	\$0	\$0	\$0	\$4,135	\$4,135
Tram - Security/Monitoring/Replacement Equipment				\$100									\$150					\$250	\$250
Tram - Haul Rope Replacement								\$600					\$750					\$1,350	\$1,350
Tram - Sheve Liners Replacement						\$80				\$100			\$125					\$305	\$305
Tram - Other Equip. & Tools	\$20																	\$0	\$0
Tram - Electrical PLC Replacement								\$100					\$130					\$230	\$230
Tram Modernization - Note A	\$10,000	\$8,000	\$2,000															\$2,000	\$2,000
9 Southpoint Park	\$6,000	\$5,000	\$1,000	\$0	\$1,000	\$1,000													
TPL - Wild Rooms/Wild Gardens	\$6,000	\$5,000	\$1,000															\$1,000	\$1,000
10 Professional Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineering Services				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Miscellaneous	\$500	\$0	\$500	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$855	\$898	\$943	\$990	\$10,789	\$10,789
Capitalized Legal Expenditures																		\$0	\$0
Contingency	\$500		\$500	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$855	\$898	\$943	\$990	\$10,789	\$10,789
TOTAL CAPITAL IMPROVEMENTS	\$34,884	\$17,450	\$14,094	\$12,219	\$5,489	\$5,126	\$4,257	\$4,160	\$3,870	\$3,982	\$4,108	\$5,229	\$6,487	\$6,098	\$6,247	\$6,387	\$6,812	\$94,565	\$94,565

Note A: Cost shown is total cost of project (NYS share of 60% is included)

The Roosevelt Island Operating Corporation (RIOC)
 CAPITAL IMPROVEMENTS (In Thousands)
 Approved Budget FY 2012 Fund 03 - Capital Project Fund

5% inflation rate

	Approved Budget	Projected Actual	Approved Budget	Projected Budget	Budgets 2012 - 2026	Total													
	2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026		
Sportspark - Removal of Generator			\$50																\$50
Sportspark Rehabilitation - Reserve	\$100	\$50		\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$163	\$171	\$180	\$189	\$1,960	\$1,960
Warehouse/Bus Garage Rehabilitation (HVAC)	\$300		\$600																\$600
Miscellaneous Facilities & Offices - Reserve	\$200			\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$163	\$171	\$180	\$189	\$1,960	\$1,960
5 Equipment & Vehicles	\$1,079	\$395	\$374	\$133	\$229	\$203	\$222	\$144	\$388	\$226	\$269	\$1,199	\$1,375	\$1,379	\$1,581	\$1,488	\$1,668	\$9,602	\$9,602
Admin - (2) GEMs (50% paid by NYPA)	\$20	\$20	\$20				\$25				\$30				\$35			\$110	\$110
Bus - Hybrid Buses	\$650	\$320										\$1,000	\$1,050	\$1,103	\$1,158	\$1,216	\$1,276	\$5,526	\$5,526
Bus - F-350 Pickup			\$30						\$40							\$60		\$130	\$130
Bus - Sissor Lift			\$10															\$10	\$10
P.S. - Ford Escapes	\$20	\$20	\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
P.S. - Segways	\$14	\$14	\$14	\$15	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23	\$24	\$25	\$26	\$28	\$302	\$302
P.S. - Gem			\$10		\$11		\$12		\$14		\$15		\$16		\$18		\$20	\$116	\$116
P.S. - Upgrade Rooftop Radio Repeater	\$25																	\$0	\$0
P.S. - (4) Substations (Tram/Lighthouse/Bridge/SP Park)	\$100		\$50															\$50	\$50
Motorpool - (2) GEMs (50% paid by NYPA)			\$15			\$30				\$40				\$50				\$135	\$135
Motorpool - F-150 Pickup	\$25	\$25							\$35						\$45			\$80	\$80
Motorpool - Maintenance Software & Hardware																		\$0	\$0
Parks & Recreation- Ford Escape	\$15	\$16		\$15					\$20						\$25			\$60	\$60
IT - Servers					\$50				\$55				\$62			\$70		\$237	\$237
IT - Plotter						\$25				\$28				\$34				\$87	\$87
IT - Parking Meter Replacement	\$15		\$15			\$18			\$21			\$24		\$28				\$106	\$106
IT - Software Upgrades	\$30		\$30	\$32	\$33	\$35	\$36	\$38	\$40	\$42	\$44	\$47	\$49	\$51	\$54	\$57	\$59	\$647	\$647
IT - (2) Copiers	\$20		\$20		\$22		\$24		\$26		\$29		\$32		\$35		\$39	\$227	\$227
IT - (20 PC Replacements)	\$25		\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
IT - Upgrade of Switches	\$20		\$20		\$22		\$24		\$26		\$29		\$32		\$35		\$40	\$228	\$228
Excavator	\$40		\$40															\$40	\$40
(2) Bobcats	\$60		\$60															\$60	\$60
Misc. Heavy equipment				\$30	\$32	\$33	\$35	\$36	\$38	\$40	\$42	\$44	\$47	\$49	\$51	\$54	\$57	\$588	\$588
6 Special Projects	\$620	\$425	\$800	\$50	\$53	\$55	\$58	\$61	\$64	\$67	\$70	\$74	\$78	\$81	\$86	\$90	\$94	\$1,780	\$1,780
Admin - Islandwide Geographic Information System	\$220		\$250															\$250	\$250
Admin - Records Management Project	\$75	\$75	\$75															\$75	\$75
P.S. - Island Wireless Security Camera System	\$250	\$350	\$350															\$350	\$350
IT - Off-Site Data Backup Recovery System	\$75		\$75															\$75	\$75
Other - Special Projects			\$50	\$50	\$53	\$55	\$58	\$61	\$64	\$67	\$70	\$74	\$78	\$81	\$86	\$90	\$94	\$1,030	\$1,030
7 Lighting & Signage	\$220	\$0	\$40	\$42	\$44	\$46	\$49	\$51	\$54	\$56	\$59	\$62	\$65	\$68	\$72	\$75	\$79	\$863	\$863
Street Light Replacement	\$20		\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
Signage	\$200		\$20	\$21	\$22	\$23	\$24	\$26	\$27	\$28	\$30	\$31	\$33	\$34	\$36	\$38	\$40	\$432	\$432
8 Tram	\$10,020	\$8,000	\$2,000	\$100	\$0	\$80	\$0	\$700	\$0	\$100	\$0	\$0	\$880	\$275	\$0	\$0	\$0	\$4,135	\$4,135
Tram - Security/Monitoring/Replacement Equipment				\$100									\$150					\$250	\$250
Tram - Haul Rope Replacement								\$600					\$750					\$1,350	\$1,350
Tram - Sheve Liners Replacement						\$80				\$100			\$125					\$305	\$305
Tram - Other Equip. & Tools	\$20																	\$0	\$0
Tram - Electrical PLC Replacement								\$100					\$130					\$230	\$230
Tram Modernization - Note A	\$10,000	\$8,000	\$2,000															\$2,000	\$2,000
9 Southpoint Park	\$6,000	\$5,000	\$1,000	\$0	\$1,000	\$1,000													
TPL - Wild Rooms/Wild Gardens	\$6,000	\$5,000	\$1,000															\$1,000	\$1,000
10 Professional Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineering Services				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Miscellaneous	\$500	\$0	\$500	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$855	\$898	\$943	\$990	\$10,789	\$10,789
Capitalized Legal Expenditures																		\$0	\$0
Contingency	\$500		\$500	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$855	\$898	\$943	\$990	\$10,789	\$10,789
TOTAL CAPITAL IMPROVEMENTS	\$34,884	\$17,450	\$14,094	\$12,219	\$5,489	\$5,126	\$4,257	\$4,160	\$3,870	\$3,982	\$4,108	\$5,229	\$6,487	\$6,098	\$6,247	\$6,387	\$6,812	\$94,565	\$94,565

Note A: Cost shown is total cost of project (NYS share of 60% is included)

The Roosevelt Island Operating Corporation (RIOC)
(A Component Unit of the State of New York)
Budget Variance Report
For The Year Ended March 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>	
			<u>Variance</u>	<u>Percent</u>
Revenue				
Residential Fees Revenue	\$ 878,320	\$ 966,775	\$ (88,455)	-9%
Ground rent	9,174,109	9,199,000	(24,891)	0%
Commercial Rent	1,296,141	1,607,000	(310,859)	-19%
Tramway Revenue	4,297,891	3,744,000	553,891	15%
Public Safety Reimbursement	1,613,297	1,615,000	(1,703)	0%
Transport/ Parking Revenue	2,485,613	2,576,000	(90,387)	-4%
Interest Income	263,633	509,000	(245,367)	-48%
Other Revenue	837,899	617,000	220,899	36%
Total Revenue	20,846,903	20,833,775	13,128	0%
Operating expenses:				
Personal Services :				
Salaries	6,316,468	6,349,785	33,317	1%
Salaries-overtime	145,445	175,000	29,555	17%
Temporary Employees	165,352	175,000	9,648	6%
Workers Compensation & Disab	190,595	186,098	(4,497)	-2%
ER Payroll Taxes	573,367	579,699	6,332	1%
Health Insurance	1,083,897	1,190,395	106,498	9%
Dental/Vision	75,411	72,482	(2,929)	-4%
Pension	836,645	700,868	(135,777)	-19%
Othet Employee Benefits	509,225	473,804	(35,421)	-7%
Compensated Absences Expense	(101,198)	0	101,198	0%
Total Personal Services (PS)	9,795,206	9,903,131	107,925	1%
Other Than Personal Services (OTPS) :				
Insurance	1,061,546	940,000	(121,546)	-13%
Professional Services	583,375	404,200	(179,175)	-44%
Marketing / Advertisting	8,135	18,600	10,465	56%
Management Fees	4,072,518	4,135,200	62,682	2%
Legal Services	107,629	375,000	267,371	71%
Telecommunications	115,029	106,800	(8,229)	-8%
Repairs & Maintenance	286,126	391,400	105,274	27%
Repairs & Maintenance Equipm€	18,288	21,600	3,312	15%
Other Repairs & Maintenance	77,738	85,000	7,262	9%

The Roosevelt Island Operating Corporation (RIOC)
(A Component Unit of the State of New York)
Budget Variance Report

For The Year Ended March 31, 2012

	<u>Favorable (Unfavorable)</u>			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percent</u>
Vehicles Gas	171,689	146,100	(25,589)	-18%
Vehicles Repair & Maintenance	83,908	83,600	(308)	0%
Vehicles Parts	63,122	34,200	(28,922)	-85%
Equipment Lease	18,485	20,600	2,115	10%
Office Equipment Purchase	17,726	22,200	4,474	20%
Equipment Purchases	54,731	57,800	3,069	5%
Other Equipment Purchases	22,036	26,000	3,964	15%
Exterminator	10,780	15,600	4,820	31%
Uniforms	53,375	69,870	16,495	24%
Light, Power, Heat	667,272	469,000	(198,272)	-42%
Water & Sewer	9,067	20,000	10,933	55%
Office Supplies	17,187	20,700	3,513	17%
Parts & Supplies	251,878	227,100	(24,778)	-11%
Service Maintenance Agreement	29,790	80,100	50,310	63%
Employee Travel & Meal	19,388	17,200	(2,188)	-13%
Employee Training	50,142	56,400	6,258	11%
Shipping	9,933	13,400	3,467	26%
Subscriptions / Membership	15,464	14,500	(964)	-7%
Other Expenses	337,288	340,000	2,712	1%
Island Evenst - Community Rela	102,153	85,000	(17,153)	-20%
Total Other Than Personal Services	<u>8,335,798</u>	<u>8,297,170</u>	<u>(38,628)</u>	<u>0%</u>
Total Expenses excluding depreciati	<u>18,131,004</u>	<u>18,200,301</u>	<u>69,297</u>	<u>0%</u>
Operating income (loss) excluding dep:	2,715,899	2,633,474	82,425	3%
Depreciation Expenses	<u>3,436,043</u>	<u>3,256,000</u>	<u>(180,043)</u>	<u>-6%</u>
Operating income (loss)	<u>\$ (720,143)</u>	<u>\$ (622,526)</u>	<u>\$ (97,617)</u>	<u>-16%</u>

Attachment K
Roosevelt Island Operating Corporation
Procurement Report FY 11-12
Non-Competitive Contracts

Procurement Transactions Bulk Load Worksheet

Version 1.8

Procurement Transaction

In accordance with Sections 2879 and 2824(e) of the Public Authorities Law, please provide the following information on each procurement contract that was active (open) at any time during the reporting period:

Columns whose names contain "*" are required and must have values for each record to be loaded. Do not enter blank lines, as a blank line (a line with no information) will be regarded as the end of the file. This worksheet must be saved as type "csv" in order to be uploaded to PARIS. Select "Save As" from the "File" menu above and select "CSV (comma delimited)" as the file type.

Note: Most cells have some level of validation, however, validation in Excel only functions when you actually type data in the cell. It is recommended that you selectively check validation in rows that you have copied data into.

* Vendor Name	Transaction Number	* Procurement Description	* Status	* Type of Procurement	* Award Process	Award Date	Begin Date	Renewal Date	Does the contract have an end date?	End Date	Amount	* Amount Expended For Fiscal Year	Amount Expended For Life To Date	Current or Outstanding Balance	Number of Bids or Proposals Received Prior to Award of Contract	Is the Vendor a NYS or Foreign Business Enterprise?	Is the Vendor a Minority or Woman-Owned Business Enterprise?	Were MWBE firms solicited as part of this procurement process?	Number of bids or proposals received from MWBE firms.	Exempt from the publication requirements of Article 4c of the economic development law?	If yes, basis for exemption	Fair Market Value	Explain why the fair market value is less than the contract amount
A ARDVARC AMUSEMENTS	26405	PROVIDE ENTERTAINMENT FOR R I DAY HVAC REPLACEMENT PROJECT GSC-	Completed	Other Professional Services	Authority Contract - Non-Competitiv	6/13/2011	6/13/2011		Y	6/14/2011	5500.00	5500.00	5500.00	0.00	1	NYS	N	N	0	Y	Continuation Of Existing Services	5500.00	
ABM SYSTEMS INC	26470	MECHANICAL CONTROLS	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	6/27/2011	6/27/2011		Y	7/30/2011	17000.00	10000.00	10000.00	7000.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	17000.00	
AECOM TECHNICAL SERVICES INC	23557	ENVIRONMENTAL CONSULTANT SERVICES	Completed	Consulting Services	Authority Contract - Non-Competitiv	4/13/2009	5/1/2009		Y	5/15/2011	157428.00	0.00	146714.45	10711.55	1	Foreign	N	N	0	Y	Continuation Of Existing Services	157428.00	
ALTERNATE CONSTRUCTIONS CONC	08-22136	STABILIZATION OF RENWICK	Completed	Other Professional Services	Authority Contract - Non-Competitiv	2/28/2008	5/5/2008		Y	5/11/2011	4590000.46	26947.53	4590000.46	0.00	1	Foreign	N	N	0	Y	TIME OF THE ESSENCE	4590000.00	
ANAT GERSTEIN INC	26128	COMMUNITY RELATIONS SERVICES	Completed	Consulting Services	Authority Contract - Non-Competitiv	3/21/2011	3/21/2011		Y	7/19/2011	49363.00	38144.04	44144.04	5218.96	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	49363.00	
BACKFLOW PREVENTION OF NY	26496	HVAC REPLACEMENT PROJECT GSC- MECHANICAL	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	6/30/2011	6/30/2011		Y	9/19/2011	40631.30	40631.30	40631.30	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	40631.30	
BACKFLOW PREVENTION OF NY	26831	HVAC REPLACEMENT PROJECT GSC- SPRINKLER	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	10/21/2011	10/21/2011		Y	12/23/2011	15000.00	15000.00	15000.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	15000.00	
BLACKBAUD, INC.	27033	FINANCIAL EDGE-APPLICATION HOSTING	Open	Technology - Hardware	Authority Contract - Non-Competitiv	1/4/2012	1/4/2012		Y	12/31/2014	14500.00	14500.00	14500.00	0.00	1	Foreign	N	N	1	Y	SOLE SOURCE	14500.00	
CNA ENTERPRISES, INC.	26490	MASONRY	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	6/30/2011	6/30/2011		Y	12/16/2011	9800.00	9800.00	9800.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	9800.00	
DRAGONETTI BROTHERS LANDSCAP	26651	TREE REMOVAL BUE TO HURRICANE IRENE	Completed	Other Professional Services	Authority Contract - Non-Competitiv	9/1/2011	9/1/2011		Y	11/10/2011	42750.00	42750.00	42750.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	42750.00	
EDWARD MORAN	25939	ENGINEERING CONSULTING SERVICES	Completed	Consulting Services	Authority Contract - Non-Competitiv	1/18/2011	1/18/2011		Y	7/31/2011	33950.00	19050.00	33950.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	45000.00	
ENVAC SCANDINAVIA AB	26166	REPLACE CONTROL COMPUTER EAST SIDE SYS	Open	Technology - Hardware	Authority Contract - Non-Competitiv	4/5/2011	4/5/2011		Y	5/5/2011	7018.00	7018.00	7018.00	0.00	1	Foreign	N	N	0	Y	SOLE SOURCE	7018.00	
ENVAC SCANDINAVIA AB	26716	DISCHARGED VALVE SEALS FOR COMPACTORS	Open	Commodities/Supplies	Authority Contract - Non-Competitiv	9/22/2011	9/22/2011		Y	3/31/2013	6360.00	0.00	0.00	6360.00	1	Foreign	N	N	0	Y	<\$15,000	6360.00	
ENVAC SCANDINAVIA AB	26884	DISCHARGED VALVE SEALS FOR COMPACTORS	Open	Commodities/Supplies	Authority Contract - Non-Competitiv	11/10/2011	11/10/2011		Y	3/31/2013	8715.36	0.00	0.00	8715.36	1	Foreign	N	N	0	Y	<\$15,000	8715.36	
ENVAC SCANDINAVIA AB	25924/25927	AVAC TRANSPORTATION PIPING REPAIR	Open	Other Professional Services	Authority Contract - Non-Competitiv	1/12/2011	1/12/2011		Y	4/1/2013	120000.00	66973.46	66973.46	53026.54	1	Foreign	N	N	0	Y	SOLE SOURCE	120000.00	
GEORGE BRAITHWAITE	26269	TO OFFER PING PONG CLASSES AT SPORTSPAR	Completed	Other Professional Services	Authority Contract - Non-Competitiv	5/3/2011	5/3/2011		Y	2/1/2012	3911.38	3911.38	3911.38	0.00	1	NYS	N	N	0	Y	UNIQUELY QUALIFIED SOURCE	3911.38	
GROUPLINK CORPORATION	26453	SOFTWARE FOR HELPDISK	Completed	Technology - Software	Authority Contract - Non-Competitiv	6/23/2011	6/23/2011		Y	6/30/2011	9995.00	9995.00	9995.00	0.00	1	NYS	N	N	0	Y	SOLE SOURCE	9995.00	
HARDESTY & HANOVER, LLP	26069	ASSESSMENT OF ELECTRICAL INSTALLATION AT	Completed	Other Professional Services	Authority Contract - Non-Competitiv	3/7/2011	3/7/2011		Y	4/27/2011	17990.00	17990.00	17990.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	17990.00	
HENGE INC.	25878	CONCRETE PING PONG TABLES	Completed	Commodities/Supplies	Authority Contract - Non-Competitiv	12/21/2010	12/21/2010		Y	4/1/2011	8367.02	4786.02	8367.02	0.00	1	NYS	N	N	0	Y	SOLE SOURCE	8367.02	
HENRICH EQUIPMENT CO., INC.	25442	BUS GARAGE DIESEL TANK INSPECTION/REPAIR	Completed	Other Professional Services	Authority Contract - Non-Competitiv	8/24/2010	8/24/2010		Y	9/16/2010	19993.49	0.00	19993.49	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	20369.00	
HEWLETT-PACKARD COMPANY	26017	HP DESIGN JET 820 PLOTTER SERVICE CONTRA	Open	Technology - Consulting/Development	Authority Contract - Non-Competitiv	2/15/2011	2/15/2011		Y	4/1/2012	5249.00	0.00	0.00	5249.00	1	Foreign	N	N	0	Y	SOLE SOURCE	5249.00	
INGOLD'S HICO INC.	23266	REPLACE AVAC COMPACTORS	Completed	Other Professional Services	Authority Contract - Non-Competitiv	1/28/2009	1/28/2009		Y	4/1/2012	179000.00	35800.00	179000.00	0.00	1	Foreign	N	N	0	Y	Sole Source	179000.00	
JEROME HAIMS REALTY INC	26111	APPRAISAL SERVICES-MAIN STREET RETAIL SPA	Completed	Other Professional Services	Authority Contract - Non-Competitiv	3/17/2011	3/17/2011		Y	5/20/2011	10000.00	5000.00	10000.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	10000.00	
JEROME HAIMS REALTY INC	27077	APPRAISAL SERVICES-ISLAND HOUSE	Completed	Other Professional Services	Authority Contract - Non-Competitiv	9/12/2011	9/12/2011		Y	10/30/2011	24000.00	24000.00	24000.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	24000.00	
JEROME HAIMS REALTY INC	27226	APPRAISAL SERVICES-ISLAND HOUSE	Completed	Other Professional Services	Authority Contract - Non-Competitiv	2/16/2012	2/16/2012		Y	2/29/2012	7525.00	7525.00	7525.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	7525.00	
JEROME HAIMS REALTY INC	27329	APPRAISAL SERVICES-ISLAND HOUSE - UPDATE	Completed	Other Professional Services	Authority Contract - Non-Competitiv	3/20/2012	3/20/2012		Y	3/31/2012	6500.00	6500.00	6500.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	6500.00	
JONES LANG LASALLE AMERICAS INC	25474	REAL ESTATE CONSULTING SERVICES	Open	Consulting Services	Authority Contract - Non-Competitiv	11/18/2004	11/18/2004		Y	3/31/2013	400000.00	238274.60	337321.36	62678.64	1	NYS	N	N	0	Y	Continuation Of Existing Services	400000.00	
LOVELL SAFETY MANAGEMENT CO L	26894	SERVICE TO REDUCE WORKERS COMPENSATIO	Open	Consulting Services	Authority Contract - Non-Competitiv	11/7/2011	11/7/2011		Y	11/30/2012	20000.00	13318.08	13318.08	6681.92	1	NYS	N	N	0	Y	SOLE SOURCE	20000.00	
MALVESE EQUIPMENT CO INC	26096	REPAIR CLUTCH & GEAR BOX ON FORD 2010 TRU	Completed	Other Professional Services	Authority Contract - Non-Competitiv	3/14/2011	3/14/2011		Y	4/13/2011	8449.58	8449.58	8449.58	0.00	1	NYS	N	N	0	Y	SOLE SOURCE	8450.00	
MELI CONTRACTING CO., INC.	26494	HVAC REPLACEMENT PROJECT GSC- FENCING	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	6/30/2011	6/30/2011		Y	10/20/2011	14600.00	14600.00	14600.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	14600.00	
MELI CONTRACTING CO., INC.	26839	HELIAC RAMP	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	10/25/2011	10/25/2011		Y	11/10/2011	11991.63	11991.63	11991.63	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	11991.63	
MICHAELA MCLEAN-JOHNSON	27274	CONSULTING SERVICES ENGINEERING DEPT	Open	Other Professional Services	Authority Contract - Non-Competitiv	3/5/2012	3/5/2012		Y	3/5/2013	45000.00	9980.00	9980.00	35020.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	45000.00	
NATIONAL URBAN FELLOWS, INC.	26558	PARTICIPATION IN THE 2012 MENTORSHIP PROG	Open	Other Professional Services	Authority Contract - Non-Competitiv	7/19/2011	7/19/2011		Y	5/25/2012	65000.00	65000.00	65000.00	0.00	1	NYS	N	N	0	Y	SUPERIOR QUALIFICATION TO PERF	65000.00	
NEW YORK PLUMBING AND HEATING	26832	EMERGENCY REPAIR TO SPORTS PARK POOL HE	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	10/21/2011	10/21/2011		Y	10/28/2011	11486.22	11486.22	11486.22	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	11486.22	
NEW YORK PLUMBING AND HEATING	27039	EMERGENCY REPAIRS TO BROKEN WATER MAIN	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	1/6/2012	1/6/2012		Y	1/12/2012	58153.13	58153.13	58153.13	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	58153.13	
OCEAN & COSTAL CONSULTANTS	27084	FERRY LANDING CONCEPT REPORT	Open	Consulting Services	Authority Contract - Non-Competitiv	1/13/2012	1/13/2012		Y	3/31/2013	19750.00	0.00	0.00	19750.00	1	Foreign	N	N	0	Y	SOLE SOURCE	19750.00	
OCEAN & COSTAL CONSULTANTS	26280	FERRY LANDING CONCEPT REPORT	Open	Consulting Services	Authority Contract - Non-Competitiv	7/10/2011	7/10/2011		Y	3/31/2013	30000.00	23931.51	23931.51	6068.49	1	Foreign	N	N	0	Y	SOLE SOURCE	30000.00	
PARAMETRIX CONSULTING INC.	20496	ENGINEERING OVERSIGHT	Completed	Consulting Services	Authority Contract - Non-Competitiv	2/18/2005	3/15/2005		Y	3/19/2010	66368.80	0.00	66368.80	0.00	1	Foreign	N	N	0	Y	Uniquely Qualified Source	70080.00	
QUINTAL CONSTRUCTION LLC	26838	WEST ROAD EMERGENCY SINK HOLE REPAIR	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	10/25/2011	10/25/2011		Y	10/28/2011	34774.98	34774.98	34774.98	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	34775.00	
RICHARD ALLEN CENTER FOR CULTL	27287	WOMEN'S HISTORY MONTH-DR MAY EDWARD C	Completed	Other	Authority Contract - Non-Competitiv	3/8/2012	3/8/2012		Y	3/9/2012	5000.00	5000.00	5000.00	0.00	1	NYS	N	N	0	Y	SOLE SOURCE	5000.00	
SCIENTIFIC ELECTRIC COMPANY INC	25984	ELECTRICAL REPAIRS AT TRAM	Completed	Other Professional Services	Authority Contract - Non-Competitiv	2/4/2011	2/4/2011		Y	3/3/2011	8676.83	0.00	8676.83	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	8998.67	
SCIENTIFIC ELECTRIC COMPANY INC	25989	INSTALL TEMPORARY HEATERS/GOOD SHEPHER	Completed	Other Professional Services	Authority Contract - Non-Competitiv	2/10/2011	2/10/2011		Y	2/24/2011	9023.00	3623.00	9023.00	0.00	1	NYS	N	N	0	Y	TIME OF THE ESSENCE	9023.00	
SEA BREEZE GENERAL CONSTRUCTI	26038	ROOF REPLACEMENT AT GOOD SHEPHERD COM	Open	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	8/3/2011	8/3/2011		Y	3/31/2013	718000.00	0.00	0.00	718000.00	4	NYS	N	N	0	N		718000.00	
SHAWN CONSTRUCTION INC	26495	HVAC REPLACEMENT PROJCT GSC- CARPENTRY	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	6/30/2011	6/30/2011		Y	9/16/2011	5000.00	5000.00	5000.00	0.00	1	NYS	Y	Y	1	Y	<\$15,000	5000.00	
SHAWN CONSTRUCTION INC	26654	TRAMWAY STATION ENTRANCE STAIRS WIDING	Completed	Design and Construction/Maintenanc	Authority Contract - Non-Competitiv	9/1/2011	9/1/2011		Y	10/28/2011	9500.00	9500.00	9500.00	0.00	2	NYS	Y	Y	1	Y	<\$15,000	9500.00	
SHEA CARR JEWELL(PARAMETRIX)	09-20059	ENGINEERING TRAMWAY	Open	Consulting Services	Authority Contract - Non-Competitiv	3/29/2010	3/29/2010																