



Roosevelt Island Operating Corporation

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MEMO

TO: Shelton J. Haynes, President/CEO and Board of Directors

FROM: Daeman Di Stefano, Assistant CFO/Comptroller *DSD*

DATE: June 23, 2022

RE: Public Authority Annual Report – Fiscal Year 2021-2022

Pursuant to Public Authorities Law § 2800, attached is the Roosevelt Island Operating Corporation's Public Authority Annual Report for the Fiscal Year April 2021-March 2022, for your approval.



**Roosevelt Island
Operating Corporation**

ANNUAL REPORT
FISCAL YEAR 21-22



Public Authority Annual Report

Fiscal Year Ended March 31, 2022

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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, wheelchair accessible, residential neighborhood. As an island community, Roosevelt Island requires specialized operations and capital infrastructure maintenance such as an Aerial Tramway, a 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.

Mission Statement

Created by the State of New York as a public benefit corporation, it is the mission of the RIOC 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.

RIOC accomplishes its mission by practicing the following core values, which were adopted December 14, 2011:

- **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.

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

The Board of Directors approved the Corporation's Budget FY 21-22 & Five-Year Cash Projection on December 29, 2020, reflecting a projected "Net Income before Depreciation" of \$1,838,648 and "Net Loss after Depreciation" of (\$2,653,377) and "Capital Expenditures for the Five Years Ending March 31, 2026" of \$47,373,000. For the fiscal year ended March 31, 2022, RIOC experienced a "Net Income before Depreciation" of \$1,625,840 and "Change in Net Position" of (\$5,678,259).

Eight (8) of the anticipated nine (9) buildings (collectively, the “Buildings”) of the Southtown Development Project have been completed. The Lease for Building 8 (“Ground Lease”) was executed as of December 26, 2018 (“Commencement Date”). From the Commencement Date to the earlier of (i) the date upon which one or more Temporary Certificates of Occupancy is issued by the New York City Department of Buildings for at least ninety percent (90%) of the Units in Building 8, or (ii) the second (2nd) anniversary of the Commencement Date, Construction Period Ground Rent shall be payable at the rate of \$24,000 monthly (\$288,000 annually). The earlier of (i) or (ii) in the preceding sentence is the Rent Commencement Date (“RCD”), which occurred on July 19, 2020.

Commencing on the RCD, Ground Rent increased to \$576,000, which shall escalate by 3% annually and be re-set, as set forth in the Ground Lease. In addition, the developer, Hudson Companies Incorporated & the Related Companies L.P. (“Hudson/Related”) was required to pay RIOC a Specified Rental Payment (“SRP”) of \$16,800,000. According to the lease terms, the SRP was due on the RCD, but Hudson/Related could defer payment until the earlier of (i) a period not to exceed thirty-six (36) months from the RCD, or (ii) developer’s sale of development rights under the Inclusionary Housing Program, as set forth in section 23-90 of the New York City Zoning Resolution (ZR), and in either case, all unpaid Specified Rental Payment would bear simple interest at the rate of 4%. Furthermore, Hudson/Related was obligated to contribute \$1,000,000 towards the construction of a comfort station in Firefighter’s Field. In light of the COVID-19 pandemic, RIOC has determined that the funds that would have been used to construct the comfort station would be better directed to other construction projects on Roosevelt Island that would benefit the health and safety of the residents of Roosevelt Island. Accordingly, RIOC agreed to release Hudson/Related from the obligation to construct the comfort station and to instead have Hudson/Related pay RIOC the \$1,000,000.

Building 9 Lease closing shall occur no later than 30 months after the Building 8 Lease Closing. Should closing fail to occur within the expected timeframe, RIOC is protected by a Letter of Credit in the amount of \$1,958,400. Unfortunately, due to the outbreak of the novel coronavirus, or COVID-19 pandemic that hit New York City in and around February 2020, negotiations for the ground lease were suspended. The thirty (30) month period for the Building 9 Lease closing was extended six (6) months to December 26, 2021 and is currently in the process of being negotiated.

Roosevelt Landings, formerly known as Eastwood, exited the Mitchell Lama (“ML”) program in 2006. Units are now a mix of market rate, enhanced voucher, and Landlord Assistance Plan units, with rents that will convert to market rate upon vacancy. As of March 31, 2022 and 2021, 339 or 34% and 390 or 39% of the units have been converted to market rate units respectively. The ground lease for Roosevelt Landings expires in 2068. On October 17, 2019, RIOC’s Board of Directors approved the sale of Roosevelt Landings. This property sale was very well received because of the new owner’s commitment to maintain affordable housing units within the property. As part of that transaction, BSREP UA Roosevelt Landings, LLC, sold its interests and ground lease obligations in the property to Putnam Harlem JV LP, and Roosevelt Landings Owner, LLC as the beneficial owner to purchaser. The assignment of the lease and rights thereunder, per its terms, triggered a transaction payment due to RIOC in the amount of \$1,816,137. RIOC received that payment on October 23, 2019.

Island House exited from ML on September 28, 2012, under a thirty-year Affordability Plan. At

that time, the ground lease for Island House was extended to 2068. This Plan provided a structure for the creation of a leasehold condominium and the conversion of the residential portion of the building to cooperative ownership. The conversion to cooperative ownership occurred on January 1, 2014, the first day of the year following the conversion in accordance with the terms of the lease. At least 65% of the units will either be sold as affordable CO-OPs or remain as affordable rentals; and as of March 31, 2022 and 2021, 165 or 41% and 71 or 18% of the units have been converted to market rate, respectively.

On or about March 27, 2014 (“Withdrawal Date”), Rivercross Tenants Corp. exited the ML program without settling the financial terms required under Amendment 1 to the Restated Ground Lease. The parties, upon RIOC’s Board approval on April 18, 2018, subsequently entered into arbitration and concluded with a settlement agreement with authorization for a second amendment to the Restated Ground Lease (“Second Amendment”), with an effective date of May 30, 2018 (“Effective Date”). Pursuant to the Second Amendment, the ground rent was reset to \$2,500,000 (“Re-Set Ground Rent”) per year as of the Withdrawal Date. As of April 1, 2022, and on each fifth anniversary of that date thereafter, the Re-Set Ground Rent will increase by 10%. On the Effective Date, a settlement in the amount of \$10,287,489 (“Settlement Amount”) was made for the underpayment of ground rent during the period from the Withdrawal Date to the Effective Date. \$5,273,791 of the Settlement Amount was paid on the Effective Date and the remaining \$5,013,698 was recorded as long-term receivable and will be paid in fifteen (15) equal annual installments of principal, together with interest thereon from the Effective Date at the rate of four percent (4%) per annum, commencing on the first anniversary of the Effective Date, and on each anniversary of such date in subsequent years. On December 11, 2020, the balance in the amount of \$4,467,452 was paid in full.

On July 26, 2018, the ground lease with North Town Phase III Houses, Inc. (“Westview”) was amended to: (1) extend the term through December 22, 2068; and (2) document the exit from the ML program in exchange for Westview to be maintained as an affordable housing complex for a period of 30 years pursuant to an Affordability Plan. The Affordability Plan provides that for the next 30 years at least 55% of the 361 residential units, (i.e. at least 199 units) will either be affordable restricted price cooperative apartments or affordable rental units. As of March 31, 2022 and 2021, 355 or 98% and 361 or 100% of the units are affordable, respectively. The existing ground rent with respect to the Residential Portion in the amount of \$70,681 per annum remains in effect until the First Ground Rent Adjustment Date. Commencing as of the First Ground Rent Adjustment Date and continuing through and including the day preceding the fifth anniversary of the First Ground Rent Adjustment Date, the Ground Rent shall be \$325,000 per annum, and would increase by 10% every 5 years during the 30-year affordable period, and thereafter at 4% per year. As used herein, the term “First Ground Rent Adjustment Date” means the later of (a) the first day of the Project’s fiscal year immediately following the Master Cooperative Closing (provided the Master Cooperative Closing shall occur within three years of the date of this Fourth Amendment), or (b) the date of this Fourth Amendment, if the Master Cooperative Closing does not occur within three years of the date of this Fourth Amendment. If the Master Cooperative Closing occurs more than three years after the date of this Fourth Amendment, then the difference between the ground rent payable on the First Ground Rent Adjustment Date and the existing ground rent for the period between the date of this Fourth Amendment and the Master Cooperative Closing shall be paid to RIOC in twenty-four equal installments, commencing on the first day of the first month following the Master Cooperative Closing. The amended ground lease also caused RIOC to relinquish rights and reduce the amount of retail space within its portfolio; as those storefronts were excluded from

the 2068 extension and thereby cause those property interests to revert back to Westview's owner. As a result, RIOC paid Hudson Related Retail LLC ("HRR") \$329,846 for the unamortized cost of Initial Capital Improvements and subsequent alterations to the commercial space under the Sublease, and Retail Brokerage Fees incurred by HRR in marketing and leasing such commercial space.

The Modernized Aerial Tramway ("Tram"), which was placed in service on November 31, 2010, is an efficient, safe, and relatively quick mode of transportation between Roosevelt Island and mid-town Manhattan. On March 1, 2017, following the issuance of a Request for Proposal ("RFP") and procurement process, RIOC entered into a five-year agreement (along with an optional five-year renewal) with Leitner-Poma for the operation and maintenance ("OM") of the Tram at a fixed cost of \$21,767,456 for 5 years. The contract has been extended through March 31, 2023. This contract ensures that the Tram continues to operate in a state-of-the-art condition. Additionally, any long-term repairs or overhauls that are needed will also be covered under the terms of this contract. The cost of the long-term repairs or overhauls are additional expenses that RIOC is responsible for and are approved in advance on an annual basis and included in RIOC's approved ten-year Capital Plan. In addition to securing the above agreement with Leitner-Poma, on February 1, 2018, RIOC entered into an agreement with Hardesty and Hanover, a qualified Engineering Consultant, to provide engineering consulting services for long-term overhaul and maintenance projects for the Tram. This contract will provide RIOC with independent engineering assessments, particularly for long-term overhaul projects with large price estimates. The contract duration is for four years that are contemporaneous with Leitner-Poma's OM contract (along with up to five optional one-year renewals); and the fees are at an hourly rate ranging from \$180 to \$260 with a minimum annual cost of \$50,000. For the fiscal year ended March 31, 2022, the cost was \$0.

During the fiscal year that ended on March 31, 2022, total ridership on the Tram increased to 1,539,126 from 825,913 and Tramway revenues increased by \$1,347,644 or 82% over the prior fiscal year ended March 31, 2021. The increase in ridership is attributable to the gradual reduction of COVID-19 travel and safety restrictions. The Governor's Executive Order "New York State on PAUSE" on March 20, 2020, directed non-essential workers to stay home, and implemented social distancing practices. These mandates limit the number of riders on the Tram which resulted in a significant decrease in the capacity for ridership. Consequently, RIOC experienced a precipitous drop in revenue. RIOC anticipates that ridership will eventually return to pre-pandemic numbers as the population is vaccinated and workers return to the office. The cost and revenue of the Tram were \$4,935,339 and \$2,990,399, respectively.

Additionally, RIOC, through a competitive bidding process, awarded a contract on December 5, 2017 to build a new Tramway elevator in Manhattan, located on East 63rd street and Second Avenue. Construction is steadily progressing and was due to be completed by Winter 2021. However, RIOC experienced a delay in this completion date due to the COVID-19 pandemic and the impact on the supply chain and its vendors. The construction was completed in April 2022. The cost of this project was \$7 million dollars. This project is part of RIOC's approved ten-year Capital Plan and its cost will be provided from RIOC's working capital.

The revitalization of Main Street and improvement of the retail spaces continues. On August 1, 2011 ("Commencement Date"), RIOC entered into a Master Sublease Agreement ("Agreement") with HRR to redevelop, improve, market, lease and professionally operate the Retail Spaces

controlled by RIOC.

RIOC received an annual guaranteed rent of \$900,000 - increasing 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. The Agreement was amended on September 30, 2018 due to the expiration and non-renewal of the Westview Commercial Sublease ("Sublease") on July 24, 2018, and the removal of Sublease commercial space from the Agreement. Thus, on July 25, 2018, the compounded annual guaranteed rent of \$1,023,507 was reduced to \$910,746.

As mentioned above, RIOC paid HRR \$329,846 for the unamortized cost of Initial Capital Improvements and subsequent alterations to the commercial space under the Sublease, and Retail Brokerage Fees incurred by HRR in marketing and leasing such commercial space. HRR was required to invest no less than \$2,365,000 in the aggregate in capital improvements during the first five years of the Agreement. According to its certified financial statements as of December 31, 2021, Hudson Related Retail LLC invested \$3,593,763 and reported a loss of \$394,339. According to the Agreement, RIOC will share future profits equally once HRR is paid back its investment. HRR has yet to make any profit-sharing payment.

Roosevelt Island was selected by the City of New York ("City") for the site of the Cornell Tech Applied Sciences Graduate School ("Cornell"). The project, forecasted to be built in three phases over a twenty-year period, will be located on the City's Goldwater Hospital site ("Goldwater Site"). Because of resolutions passed by the Board of Directors, RIOC worked with Cornell throughout Phase I construction and will continue coordination throughout all construction phases. RIOC received, among other things, new roads and a new sewage system around the construction site because of its contributions to this project.

On December 21, 2013, the RIOC Board of Directors resolved, among other things, to amend its Master Lease with the City to exclude an additional 2.62 acres ("Parcel") surrounding the Goldwater Site so that it could be incorporated into the 9.8 acres being used for Cornell. As part of the surrender of the Parcel back to the City, the State made a commitment to fund an amount equivalent to \$1,000,000 annually for 55 years (escalating 2.5% every 10 years) with payment fully made by December 31, 2018 to support capital infrastructure improvements on Roosevelt Island as determined in accordance with state budgetary procedure. RIOC received the full payment in the amount of \$25,028,000 in December 2018. In addition, Cornell pays RIOC \$400,000 annually for 55 years, (increasing by 2% every 10 years) for the parcel of land that it received.

Three of the five buildings in Phase I of the Cornell project, an academic building, a corporate co-location building, and graduate student housing, were completed in August 2017, and the campus officially opened for classes in the same month. Cornell has begun construction of the remainder of Phase I, which includes two additional buildings, an approximately 100-room hotel and an executive education center. This construction began in March 2018 and was completed in Winter 2021. Phases II and III of the Cornell projects have not started and are not required to be proposed before 2027.

In February 2021, RIOC issued an RFP for the renovation of Sportspark, which was awarded in March 2021 with an anticipated completion by late Summer 2022. The project's construction cost

is \$10 million. Renovations will overhaul the HVAC system, improve, and repair other critical systems, improve the men's and women's locker rooms and bathrooms, and replace the windows and doors. Additional improvements include an updated gymnasium and exterior façade as well as overall programmatic upgrades. The cost of this project will be funded through RIOC's working capital.

In March 2017, RIOC issued an RFP seeking a qualified contractor with landmark restoration experience to perform renovations for the interior of Blackwell House, New York City's sixth oldest house and Roosevelt Island's oldest landmarked building. Following the procurement process, RIOC entered into a contract with the successful bidder to perform all necessary repairs including stabilizing and waterproofing the building's infrastructure, installing new windows, and ADA-compliant access ramps. The project restored the interior of the house to make it a community space for Roosevelt Island residents, as well as a tourism focal point of Main Street for visitors. Blackwell house was opened to the public in November of 2020. The project cost \$3.2 million dollars and was funded through RIOC's working capital.

In March 2017, RIOC issued an RFP for the first phase of enhancements at its Youth Center, located on Main Street. Construction for the first phase, which included replacement of the roof and terrace, was completed in October 2017. Phase II of this project continues with replacing the windows in the main room that overlooks the courtyard, modernizing and beautifying the layout and interior design of the facility, including upgrades to the bathrooms to conform to ADA standards, expanding the teaching kitchen, new lighting, doors and other critical systems. The scope of the project was expanded and, as a result, the original contract for the project was terminated; another RFP was issued in January 2019; and the project resumed in May 2019. The project is now completed. The Youth Center opened in April 2021. The project's construction cost was \$2.17 million, which was funded through RIOC's working capital.

On March 13, 2018, RIOC issued an RFP seeking bids for architectural design services for a dedicated Bike Ramp for bicyclists traveling between the Roosevelt Island Bridge and street level on the Island. On July 23, 2018, RIOC entered into contract with the successful bidder to provide the design services and collaborate on the project from design through construction. The Bike Ramp will improve safety for both cyclists and motorists and increase ease of access for cyclists coming onto the Island. The estimated cost is \$4 million dollars. RIOC intends to fund the project in part by use of a grant in the amount of \$2,963,705 in federal transportation funds awarded to RIOC through the Transportation Alternative Program (TAP) - Congestion Mitigation and Air Quality (CMAQ) Improvement Program, with the remainder funded through RIOC's capital program. RIOC has also had discussions with select state and local officials concerning additional contributions of capital funds. The grant requires four separate reviews by NYS DOT. RIOC submitted for the first review and received approvals and the second and third submissions were made in FY 2122. The project provides a vital link for cyclists between the Island and dedicated bike lanes in Queens and is expected to be used by Island residents, visitors and commuters. This project is expected to be completed by the Fall of 2022.

On April 24, 2019, New York State Department of Transportation awarded RIOC \$5,000,000 for funding a Bike Lane. This is a reimbursement funding that will cover up to 80% of eligible cost. Total cost of the project is \$6.25M. This project was expected to start in the Spring of 2020 and be completed by Summer 2021. However, the design schedule has been extended due to COVID-19, and the completion is yet to be determined.

Design documents to reconstruct the seawall in Southpoint Park, which extends from the northern tip of the park to the beginning of the Four Freedoms State Park on both the east and west sides, extending approximately 1600 linear feet, are complete. RIOC received permits from City, State and Federal oversight agencies with jurisdiction over work operation. RIOC estimates that the repairs will cost approximately \$11 million dollars. RIOC anticipates receiving \$604,000 from FEMA for the damage caused by Hurricane Irene and Superstorm Sandy. In March 2021, RIOC received a partial payment of \$453,00 from FEMA and expects to receive the remaining \$151,000. The balance of the cost will be provided through RIOC's working capital. The project will also remediate contaminated soil conditions and remove construction debris placed along the shoreline. On March 30, 2020, RIOC issued an RFP for construction to hire contractors through its competitive bidding process to complete the work. The successful bidder was awarded the contract on July 1, 2020. The approved permits for waterside operations prohibit working in the water between March and June. This project was completed in Fall 2021.

On February 7, 2018, RIOC issued an RFP seeking professional services from a qualified firm to redevelop and repair Octagon Field, one of Roosevelt Island's most popular outdoor fields. The first phase of improvements at Octagon Field, including the installation of a new synthetic turf, new LED lighting fixtures and path upgrades were completed in Fall 2019, at a cost of \$1.1 million dollars, which was provided through RIOC's working capital. At the opening day ceremony, RIOC renamed the field to honor, John McManus, its recently deceased Chief of Public Safety Department. During his tenure as the Chief of RIOC's Public Safety Department, Jack dedicated many hours to coaching youth soccer teams. When the field reopened, permit requests stabilized to equal pre-construction numbers. RIOC had planned a second phase of improvements, valued at \$5.9 million dollars, to reconstruct and expand the public rest room, install a new shade structure, create new ADA accessible seating areas, install new ADA compliant paths and improve landscaped areas. Although these additional improvements were stalled due to COVID-19, RIOC was able to resume work on this project. The total cost of the project was \$5.4 million dollars, which was provided through RIOC's working capital. This project was completed in Fall 2021.

On January 9, 2019, RIOC issued an RFP seeking bids to renovate a section of the Motorgate structure. Motorgate is the central parking facility for Roosevelt Island residents. Renovation includes repair of spalled and delaminated concrete support beams inside the garage, repair of concrete deck and ceilings, including connecting joints, application of waterproofing system on parking deck, ramps, walkways, and curbs, removal and replacement of existing floor drains, and restriping of parking spaces, installation of electric charging stations, and installation of new directional signage. Bids were received on March 6, 2019 and the selection of the successful bidder was made in April 2019. The project started in June 2019 and was delayed by the COVID-19 pandemic. However, this project was completed in Fall of 2021 at a total cost of \$19.5 million dollars, which was provided through RIOC's working capital.

Roosevelt Island's Automated Vacuum Collection system ("AVAC") is a network of underground pneumatic tubes that connects every building to a central garbage collection station ("Terminal Station"). AVAC uses vacuum to pull garbage through these tubes and empties it into large containers for carting off the Island. AVAC, one of the first full-scale pneumatic installations in the world, is now in need of upgrading as its original equipment is near the end of its expected life.

The first phase of improvements to modernize the AVAC were completed in March 2020. These upgrades, at a cost estimate of approximately \$2 million, required piping, replaced outdated controls, piping and exhaust systems and installed new laser sensors that automated steps in the

collection process. These upgrades have optimized the efficiency of the facility and greatly reduced the annual energy consumption at the facility. A second phase of work will replace equipment and controls in the building including the separator, compactor, compressor and ancillary systems. This is in the early planning and budget phase, design work was scheduled to start in FY21; however, due to the COVID-19 pandemic, it is now uncertain as to when this phase will be scheduled. That said, the AVAC system is fully operational and capable of servicing all of Roosevelt Island needs.

The Lighthouse, a historical landmark located at the northern tip of the Island, needs an overhaul to restore its interior and exterior. Also, there are two wooden bridges leading to the Lighthouse that had deteriorated and needed to be replaced. Replacement of the wooden bridges commenced in April 2019 and was completed by May 2019. The renovation of the Lighthouse is to be done in two phases. Proposed designs were reviewed and approved by the State Historic Preservation Office. The project will restore the interior stairs, lighthouse tower and reconstruct the lantern to match the original Renwick profile. Designs were completed in June 2020, and an RFP for construction services was issued in March 2021. The project was awarded to the successful bidder at a cost of \$2.6 million dollars, which will be provided through RIOC's working capital. This project is expected to be completed in Spring 2022.

The expansion of Lighthouse park design commenced in Fall 2019 and was scheduled to be completed in Summer 2020. However, due to the COVID-19 pandemic, this project is currently on hold until further notice. The total estimated cost of the project is \$15 million dollars, which will be provided through RIOC's working capital.

The Smallpox Hospital, another historical landmark located on the southern end of the Island, was the first major U.S. hospital dedicated to the care of victims of smallpox. It is now a ruin in need of stabilization and restoration. With approval from RIOC, a stabilization study was done by the Four Freedoms Park Conservancy, operator of the Franklin D. Roosevelt Four Freedom Park, which is adjacent to the Smallpox Hospital.

The stabilization study concluded in Schematic Design drawings detailing the structural needs of the ruin and an estimated cost to complete the restoration work is being evaluated. RIOC subsequently applied and received funding in the amount of \$500,000 from New York State to complete the stabilization studies and prepare full construction documents. All survey and investigative work are complete, a final report with phasing options and estimates was required. Due to the analysis of the engineering and structural documents, the architectural firm's estimated construction cost exceeded the RIOC budgeted anticipated construction value. After further reconciliation of the budget, the project is currently on hold.

III. FINANCIAL REPORTS

III. (i) Audited Financials

The audited financial reports are attached – see Attachment “B”. This section provides an overview of the Statement of Revenue, Expenses and Changes in Net Position, and the Statements of Net Position.

RIOC’s Statements of Revenues, Expenses and Changes in Net Position are used to report changes in the net position, including depreciation expense. Revenues reported are based on a standard of recognition whereby revenues are recorded when earned. The Statements of Revenues, Expenses and Changes in Net Position detail program revenues by major source and expenses by natural classification and indicate the change in net position.

RIOC’s total operating revenue for the fiscal year ended March 31, 2022 was \$30,894,546. For the fiscal year ended March 31, 2022, operating revenue increased by \$3,214,423 or 12% over the last fiscal year. This was mainly due to an increase in residential fees of \$1,872,889, ground rent of \$1,423,598, commercial rent of \$42,476, tramway revenue of \$1,347,644, public safety reimbursement of \$94,595, and transport/parking revenue of \$310,315 offset by and decrease in interest income of \$293,977 and other revenues of \$1,585,950.

RIOC’s total expenses for the fiscal year ended March 31, 2022 were \$36,572,805 and \$34,218,647 for the fiscal year ended March 31, 2021, including depreciation of \$7,304,099 and \$5,933,739, respectively. For fiscal year ended March 31, 2022, total operating expenses before depreciation increased by \$983,798 or 3% over the last fiscal year. This was mainly due to increases in insurance of \$393,476, professional and legal services of \$693,727, management fees of \$275,861, vehicles maintenance of \$107,451, supplies/service of \$154,464 and other expenses of \$392,960 offset by a decrease in personal services of \$508,298, repairs and maintenance of \$475,388 and equipment purchase/lease of \$45,106.

The Statement of Revenue, Expenses, and Changes in Net Position using the modified accrual basis, reported a loss of \$5,678,259 to an ending balance of \$115,887,443 at March 31, 2022.

THE ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statement of Revenue, Expenses and Changes in Net Position
Year ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Operating revenue:			
Residential fees	\$ 3,555,678	1,682,789	111%
Ground rent	16,060,409	14,636,811	10%
Commercial rent	1,704,219	1,661,743	3%
Tramway revenue	2,990,399	1,642,755	82%
Public safety reimbursement	2,299,698	2,205,103	4%
Transport/parking revenue	2,605,324	2,295,009	14%
Interest income	704,997	998,974	-29%
Unrealized loss		(2,833)	-100%
Other revenues	<u>973,822</u>	<u>2,559,772</u>	-62%
Total operating revenue	<u>30,894,546</u>	<u>27,680,123</u>	12%
Operating expenses:			
Personal services	14,440,686	14,948,984	-3%
Insurance	3,422,444	3,147,500	9%
Professional services and legal services	2,412,833	1,600,574	51%
Management fees	5,650,240	5,374,379	5%
Telecommunications	216,082	221,431	-2%
Repairs and maintenance	945,063	1,420,451	-33%
Vehicles maintenance	295,004	187,553	57%
Equipment purchases/lease	160,681	205,787	-22%
Supplies/services	1,207,505	1,053,041	15%
Other expenses	<u>518,168</u>	<u>125,208</u>	314%
Total operating expenses, excluding depreciation	<u>29,268,706</u>	<u>28,284,908</u>	3%
Operating income before depreciation	1,625,840	(604,785)	-344%
Depreciation expense	<u>(7,304,099)</u>	<u>(5,933,739)</u>	23%
Change in net position	(5,678,259)	(6,538,524)	-13%
Net position at beginning of year	<u>121,565,702</u>	<u>128,104,226</u>	-5%
Net position at end of year	\$ <u>115,887,443</u>	<u>121,565,702</u>	-5%

On RIOC's Statement of Net Position at March 31, 2022 total assets of \$183,722,219 and deferred outflow of resources of \$5,543,300 exceeded total liabilities of \$67,669,777 and deferred inflows of resources of \$5,378,301 by \$115,887,443 (net position). Total assets are comprised of capital assets (e.g., buildings, machinery and equipment) totaling \$154,172,575, noncurrent assets totaling \$6,723,065, cash and short-term investments totaling \$3,369,562 and other assets of \$19,457,017. Liabilities are comprised of accounts payable and accrued expenses of \$2,346,781, compensated absences of \$1,161,688, unearned revenues of \$50,002,275 (prepaid rents), total OPEB liability of \$14,147,419, and other liabilities totaling \$11,614. Unearned revenues represent the prepaid ground rent revenue received for the Southtown and Octagon development projects that will be recognized over their respective lease terms.

ROOSEVELT ISLAND OPERATING CORPORATION		
(A Component Unit of the State of New York)		
Statements of Net Position		
March 31, 2022 and 2021		
<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 984,657	3,513,428
Short-term investments	2,384,905	28,481,275
Receivables	18,823,160	18,318,000
Prepaid expenses	<u>633,857</u>	<u>482,256</u>
Total current assets	22,826,579	50,794,959
Noncurrent investments	6,723,065	7,165,943
Capital assets, net of accumulated depreciation	<u>154,172,575</u>	<u>133,012,286</u>
Total assets	<u>183,722,219</u>	<u>190,973,188</u>
Deferred outflows of resources:		
Pensions	2,823,784	2,940,606
OPEB	<u>2,554,517</u>	<u>2,502,478</u>
Total deferred outflows of resources	<u>5,378,301</u>	<u>5,443,084</u>
<u>Liabilities</u>		
Current liabilities - accounts payable and accrued expenses	2,346,781	2,892,778
Compensated absences	1,161,688	1,033,023
Unearned revenue	50,002,275	51,071,842
Total OPEB liability	14,147,419	12,352,555
Net pension liability - proportionate share - ERS	<u>11,614</u>	<u>4,021,372</u>
Commitments and contingencies (note 9)		
Total liabilities	<u>67,669,777</u>	<u>71,371,570</u>
Deferred inflows of resources:		
Pensions	3,807,718	224,136
OPEB	<u>1,735,582</u>	<u>3,254,864</u>
Total deferred inflows of resources	<u>5,543,300</u>	<u>3,479,000</u>
Net position:		
Net investment in capital assets	154,172,575	133,012,286
Restricted for capital projects		792,023
Unrestricted	<u>(38,285,132)</u>	<u>(12,238,607)</u>
Total net position	<u>\$ 115,887,443</u>	<u>121,565,702</u>

III. (ii) Grant and Subsidy Programs

Included in “Other Expenses” are expenditures for public purpose grants of \$150,000 for the years ended March 31, 2022. The grants were awarded to various Island-based not-for-profits upon evaluation of their applications and Board approval.

III. (iii) Operating and Financial Risks

RIOC 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 Parking Operations; and other revenues to fully meet its operational expenses. RIOC neither borrows nor depends on State or City appropriations and thus is minimally exposed to market, interest rate, and economic risks. The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on RIOC and its future results and financial position is not presently determinable.

The Development Agreement for Southtown buildings (“Buildings”) seven (7) through nine (9) between Hudson Related Joint Venture (“Developer”) and RIOC included a contingent designation (cancellation of project or portion of) fee of \$1,958,400. The Development Agreement is collateralized by a Guaranty Letter of Credit issued by Deutsche Bank Trust Company, NA in the amount of \$1,958,400, maturing on August 15, 2022, to be renewed annually. The Building 8 Lease was closed on December 26, 2018 and construction was substantially completed on July 19, 2020. The Building 9 Lease closing shall occur no later than 30 months after the Building 8 Lease Closing. Should development fail to occur within the expected timeframe, RIOC is protected by the Guaranty Letter of Credit in the amount of \$1,958,400. Unfortunately, due to the outbreak of the COVID-19 pandemic that hit New York City in and around February 2020, negotiations for the ground lease were suspended. The thirty (30) month period for the Building 9 Lease closing was extended six (6) months to December 26, 2021. RIOC, however, anticipates that plans contemplated for the construction of Building 9 will resume at such time it is deemed safe and appropriate.

As set forth in Note 9(a) of the Notes to Financial Statements for March 31, 2022 and 2021, RIOC entered into an agreement with ESD for the repayment of certain Public Facilities Debt and Accrued Operating Deficit amounting to \$170,356,976 with a stated interest rate of 5.74%. ESD has acknowledged that there are significant projected future capital investments to be made by RIOC.

III. (iv) Bond Ratings

RIOC does not issue bonds.

III. (v) Long-term Liabilities

RIOC has no long-term liability except post-employment benefits other than pension, which is described in section III. (v)(c).

III. (v)(a) Lease Obligations

RIOC has agreements with Westview, Eastwood, Island House, and Rivercross to sublease commercial space owned by these housing companies. Rent expense for the years ended March 31, 2022 and 2021 were approximately \$564,588 and \$675,844, respectively.

III. (v)(b) Unearned Revenue

Unearned revenue reported in the statements of net position represent 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 forty-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>	Balance at April 1, 2021	<u>Additions</u>	<u>Amortization</u>	Balance at March 31, 2022
Octagon	\$ 2,261,170	-	(47,353)	2,213,817
Southtown Bldg #1	1,520,142	-	(31,833)	1,488,309
Southtown Bldg #2	1,450,550	-	(30,379)	1,420,171
Southtown Bldg #3	3,099,950	-	(64,921)	3,035,030
Southtown Bldg #4	4,041,641	-	(84,642)	3,956,999
Southtown Bldg #5	5,161,133	-	(108,088)	5,053,045
Southtown Bldg #6	7,944,007	-	(166,366)	7,777,640
Southtown Bldg #7	9,053,042	-	(189,593)	8,863,449
Southtown Bldg #8	<u>16,540,207</u>	<u>0</u>	<u>(346,392)</u>	<u>16,193,815</u>
Total	\$ <u>51,071,842</u>	<u>0</u>	<u>(1,069,568)</u>	<u>50,002,275</u>

III. (v)(c) Post-employment Benefits Other Than Pensions

RIOC 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 Employees Retirement System (“ERS”), and the employee must be enrolled in New York State Health Insurance Program. 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 ERS, 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, 2022 and 2021 amounted to \$460,981 and \$257,476, respectively. At March 31, 2022 and 2021, the liability for active and retired employees included in non-current accrued fringe benefits amounted to \$14,147,419 and \$12,352,555, respectively.

RIOC currently pays for post-retirement health care benefits on a pay-as-you-go basis and has set aside assets in the amount of \$6,723,065 to meet this long-term obligation.

IV. DEBT SCHEDULE

RIOC does not issue debt and thus does not have any bonds and notes outstanding.

V. COMPENSATION SCHEDULE

NAME	TITLE	SALARY	COMPENSATION
Amoroso, Anthony	Deputy Director Public Safety	\$107,880	\$113,820
Bedasie, Govind	IT Manager	\$112,330	\$112,611
Boujoul, Abdelkader	IT Director	\$136,503	\$136,856
Brown, Kevin	Director Public Safety	\$144,701	\$148,598
Cunneen, Mary	Director Org. Strat & Spec. Projects	\$117,052	\$116,784
Eliav, Arthur	Associate General Counsel	\$149,563	\$111,108
Firestein, Amy	Procurement Manager	\$101,871	\$103,357
Friedman, Steven	Accts Payable Manager	\$112,736	\$113,018
Haynes, Shelton	President/Chief Operating Officer	\$216,152	\$216,652
Henry, Robert	Asst. Comptroller/General Accounting	\$108,625	\$104,992
Jackson, Altheria	AVP Programs & Operations	\$156,280	\$155,446
Jagdharry, Muneshwar	Asst. CFO and Comptroller	\$167,956	\$86,636
Kibby, Matthew Clark	Director of Horticulture and Grounds	\$109,150	\$110,592
Kustka, Debra	Chief Operating Officer	\$195,000	\$47,250
Opperman, Cyril	Director of Transportation	\$144,472	\$153,841
O'Reilly, John	VP/CFO	\$182,905	\$181,929
Robinson, Gretchen K.	General Counsel	\$175,033	\$174,099
Santamaria, Alvaro	Director of Engineering	\$145,530	\$147,300
Shah, Prince	Asst. Dir. of Capital Planning & Proj.	\$123,982	\$123,237
Sharpe, Tajuna	AVP, Administration	\$161,288	\$159,248
Spencer-EL, Erica	Dir. Of Programming & Partnerships	\$122,634	\$123,566
Stasko, Lada	Assistant General Counsel	\$127,151	\$127,469
Suarez, Estrella	Inspector	\$102,805	\$134,299
Sztejnberg, Markus	Deputy General Counsel	\$162,016	\$2,226
Zee, Min-Heng	Assistant Comptroller	\$123,760	\$124,070

V. (i) Biographical Information

Biographical information for all specified employees is attached – see Attachment “C”.

VI. PROJECTS

RIOC did not undertake any Industrial Development Agency Projects (IDA Projects).

RIOC’s Capital Plan provides the framework to renew existing infrastructure, build new amenities and maintain the quality of life for the Island’s residents, workers, and visitors. The Corporation achieves this by making capital improvements and strategically acquiring capital assets that support essential services such as transit, sanitation, public spaces and public safety. Significant projects in the capital plan include:

- repairs to the historic Lighthouse Tower, including restoration of the lantern, construction of a new lantern enclosure and deck, reconstruction of the internal stairs and general repair and pointing of stonework estimated at \$2.6M;
- design of a new bike ramp to bring cyclists onto island from the Roosevelt Island Bridge to the East Promenade estimated at \$4M which includes a \$2.96M state transportation grant;
- design of a new shared-use bike lane along the East Promenade connecting the new ramp to the bike lane at Cornell’s campus, estimated at \$6.25M which includes a \$5M state transportation grant;
- renovation of the Sportspark facility to include an overhaul of the HVAC system, improvement and repairs to other critical systems, improvement of the men’s and women’s locker rooms and bathrooms, and replacement of the windows and doors at an estimated total cost of \$11M;
- Renovation of the Blackwell Park (East parcel) will include upgrades to the existing playgrounds, spray park, accessibility and resurfacing of the existing basketball courts. The goal of the new design is to also expand the additional playground areas and amenities. The design of the project is anticipated to complete in FY22-23 with construction slated to complete in FY23-24. The anticipated construction cost is \$5M.

VII. REAL PROPERTY

VII. (i) Real Property Disposition

RIOC did not have any real property disposition.

VII. (ii) Real Property Acquisition

RIOC did not acquire any real property.

VII. (iii) Real Property Owned

The Roosevelt Island Operating Corporation

Real Property

For Period Ending March 31, 2022

a) Real property Owned:

	Net Asset Value	Note
AVAC	\$ 1,640,896	(1)
Blackwell House	\$ 3,955,863	(1)
Boathouse	\$ 287	(1)
Good Sheperd Chapel	\$ 1,471,966	(1)
Lighthouse	N/A	(2)
Motorgate	\$ 20,429,523	(1)
Renwick Ruins	\$ 3,557,651	(1)
Sportspark	N/A	(1)
Strecker Lab	N/A	(2)
Tramway	29,269,986	(1)
Total	<u>\$ 60,326,172</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, as well as all other laws and regulations.

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

This statement certifies that the RIOC followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending March 31, 2022. RIOC is fully compliant with the New York State Governmental Accountability, Audit and Internal Control Act.

X. ENABLING LEGISLATION

On September 4, 1984, RIOC 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 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.

XI. (i) Board Committees

See Attachment “F”.

XI. (ii) Board Meetings and Attendance

See Attachment “G”.

XI. (iii) Major Authority Units

RIOC is comprised of the following functional units: Administration, Finance, Human Resources, Information Technology, Legal, Community Relations, Engineering, Public Safety, Grounds, Maintenance, Warehouse, Bus Operations, Motor Pool, Permits & Film, and Sportspark.

XI. (iv) Number of Employees

RIOC has 126 employees (116 F/T, 2 P/T, 5 Temporary, and 3 Consultants).

XII. CHARTER AND BY-LAWS

See Attachment “H”.

XIII. MATERIAL CHANGES IN OPERATIONS AND PROGRAMS

RIOC 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 should not result in judgments which in the aggregate would have a material adverse effect on RIOCI’s operations.

Roosevelt Island Operating Corporation

Performance Measure Report

as of March 31, 2022

FY 21-22

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, Roosevelt Island Operating Corporation (RIOC) has promoted the development of approximately 5,558 units of housing, with the expected development of an additional 300 apartments. Of the 5,558 units, 3,353 units (60%) were developed as affordable units (see Table 1 below).

Table 1

Building	Units Developed	In Development	To Be Developed	Total Units	Units Developed as Affordable	Units Subsequently Converted To Market	Units Currently Affordable	Current Percentage Affordable
Manhattan Park	1,107			1,107	222		222	20%
Roosevelt Landings	1,003			1,003	1,003	339	664	66%
The Octagon	501			501	100	26	74	15%
Island House	400			400	400	165	235	59%
Southtown	1,809		300	2,109	890	11	879	49%
Westview	361			361	361	6	355	98%
Rivercross	377			377	377	84	293	78%
Total:	5,558	-	300	5,858	3,353	631	2,722	49%

Unit Counts and Percentages are Approximate.

*Ground lease allows for deferral of ground rent if maintenance fees exceed a specified level, not yet exceeded. Residents as of the date of the Mitchell Lama withdrawal, with incomes below 100% of AMI, will qualify for the deferrals.

Of the total 3,353 affordable units originally developed, 2,141, (64%) of the units in four developments (Roosevelt Landings, Island House, Westview, and Rivercross) were developed as affordable units through the New York State Mitchell Lama (ML) Program in the mid-to-late 70s. The ML developers have the option after 20 years to exit the program, converting to a market rate building or adopting a new affordability plan. All four developments have exited the ML program.

Roosevelt Landings, formerly known as Eastwood, exited the ML program in 2006. Units are now a mix of market rate, enhanced voucher, and Landlord Assistance Plan units, with rents that will convert to market rate upon vacancy. As of March 31, 2021, 339 (34%) of the units have been converted to market rate units. The ground lease for Roosevelt Landings expires in 2068. On October 17, 2019, RIOC's Board of Directors approved the sale of Roosevelt Landings. This property sale was very well received because of the new owner's commitment to maintain affordable housing units within the property. As part of that transaction, BSREP UA Roosevelt Landings, LLC, sold its interests and ground lease obligations in the property to Putnam Harlem JV LP, and Roosevelt Landings Owner, LLC as

the beneficial owner to purchaser. The assignment of the lease and rights thereunder, per its terms, triggered a transaction payment due to RIOC in the approximate amount of \$1,816,137. RIOC received that payment on October 23, 2019.

Island House exited from ML on September 28, 2012, under a thirty-year Affordability Plan. At that time, the ground lease for Island House was extended to 2068. This plan provided a structure for the creation of a leasehold condominium and the conversion of the residential portion of the building to cooperative ownership. The conversion to cooperative ownership occurred on January 1, 2014, the first day of the year following the conversion in accordance with the terms of the lease. At least 65% of the units will either be sold as affordable co-ops or remain as affordable rentals; and as of March 31, 2022, 165 (41%) of the units have been converted to market rate.

On or about March 27, 2014, the Rivercross Tenants Corp. (Rivercross) exited the ML program without settling the financial terms required under Amendment 1 to the Restated Ground Lease. The parties, upon RIOC Board approval on April 18, 2018, subsequently entered into arbitration and concluded with a settlement agreement, with authorization for a second amendment to the Restated Ground Lease, with an effective date of May 30, 2018. As of March 31, 2022, 84 (22%) of the units have been converted to market rate.

On July 26, 2018, the ground lease with NORTH TOWN PHASE III HOUSES, INC. (Westview) was amended to: (1) extend the term through December 22, 2068 and (2) document the exit from the ML program in exchange for Westview to be maintained as an affordable housing complex for a period of 30 years pursuant to an Affordability Plan. The affordability plan provides that, for the next 30 years, at least 55% of the 361 residential units (i.e. at least 199 units) will either be affordable restricted price cooperative apartments or affordable rental units. As of March 31, 2022, 355 (98%) of the units are affordable. The amended ground lease also caused RIOC to relinquish rights and reduce the amount of retail space within its portfolio. Additionally, those storefronts were excluded from the 2068 extension and thereby caused those property interests to revert to Westview's owner. As a result, RIOC paid HRR \$329,846 for the unamortized cost of initial capital improvements and subsequent alterations to the commercial space under the sublease, and retail brokerage fees incurred by HRR in marketing and leasing such commercial space.

The Lease for Building 8 was executed as of December 26, 2018 and the building was completed on July 19, 2020. Building 8 has 341 (100%) affordable units. The Lease for the last building for the Southtown development, Building 9, is now back on schedule after having been stalled due to the COVID-19 pandemic that hit New York City in and around February 2020. Originally contemplated to be comprised of approximately 300 units at a 100% market rate; the building will now consist of a mixture of condominiums and commercial space, similar to Building 7. RIOC, anticipates negotiations for the construction of Building 9 will be completed later this year.

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

As part of its mission, RIOC has sought to develop Roosevelt Island's 147 acres through the creation of a Public Safety Department, the development of a mass transportation system, an underground pneumatic sanitation system, pedestrian walkways, recreational facilities, open spaces, roadways, and retail spaces. The initial planners created a centralized parking facility that currently provides approximately 1,510 parking spaces for resident vehicles.

Mass Transportation System:

RIOC has improved its transportation services through renovations to the aerial Roosevelt Island Tramway and the on-island mass-transportation program. A new aerial Tramway became operational on November 31, 2010, providing increased ridership capacity and greater availability allowing for one cabin to continue operations in the event the other cabin is temporarily removed from service for preventative maintenance. The Tramway is also now more reliable, with redundant generators to power the system, resulting in increased efficiency and capability. Additionally, RIOC, through a competitive bidding process, awarded a contract to build a new Tramway elevator in Manhattan, located on East 63rd Street and Second Avenue. Construction is steadily progressing and was due to be completed by summer 2021. However, RIOC experienced a delay in this completion date due to the COVID-19 pandemic and the impact on the supply chain and its vendors. The construction was completed in April 2022. The \$7 million dollar renovations include necessary safety, operational, and aesthetic upgrades and feature glass elevators, an expanded platform for Americans with Disabilities Act (ADA) compliance, and a beautified station plaza.

RIOC procured the services of, and entered into, a five-year maintenance and operation agreement with Leitner-Poma of America O&M, Inc. for the operation of the Tramway. This agreement includes major anticipated repairs that will be required over time, ensuring that the Tramway continues to operate in a state-of-the-art condition. Such repairs will be contemplated by RIOC, on an annual basis, for the duration of the contract and will be budgeted for in RIOC's 10-year Capital Plan, which will cover major structural and equipment replacements that are anticipated to be needed in the next 10 years.

During the fiscal year that ended on March 31, 2022, total ridership on the Tramway increased to 1,539,126 from 825,913 over the prior fiscal year ending March 31, 2021. The increase in ridership is primarily attributable to the increase in the number of passengers permitted to ride in the Tramway car on each trip and the public's increased utilization of mass transit amid improving COVID-19 conditions. On March 16, 2020, The Governor issues Executive Order "New York State on PAUSE", which asked non-essential workers to stay home, and called for physical distancing, thereby decreasing the number of riders safely permitted to ride in each Tramway car by 76% during FY20-21. While RIOC expected a loss in revenue due to the sharp decrease in ridership as a result of the COVID-19 pandemic, RIOC anticipates ridership to increase as the population is vaccinated and workers return to the office. Further, RIOC anticipates ridership to eventually return to pre-pandemic numbers, and even go beyond these, due to the attraction of: the Nelly Bly and Four Freedoms Park Art Exhibits, the island's many beautiful Cherry Blossom Trees, the fireworks viewing festivals from South Point Park for the Fourth of July, the new construction in the works for a Cornell College Dorm, and the addition of Riverwalk 9.

RIOC also services the community of Roosevelt Island with an on-island mass transportation system comprised of a fleet of both hybrid and low-emission diesel buses. These buses are also wheelchair accessible and service the island's significant senior and disabled population. The buses are free to all riders.

Due to the COVID-19 pandemic, RIOC is taking every measure to ensure the safety and health of the Roosevelt Island community. RIOC is disinfecting the buses and Tramway, daily, as a preventative measure against COVID-19 and offering masks to riders. The Transportation Department provides emergency shuttle bus service to Manhattan when the Tramway, Tramway elevator, or the F Train are out of service.

RIOC entered a Memorandum of Understanding (MOU) with the New York City Economic Development Corporation (EDC) to expand NYC Ferry service to Roosevelt Island that launched in August 2017. The ferry services passengers to and from Astoria, Long Island City, Roosevelt Island, Brooklyn, and Manhattan. RIOC and the EDC worked together to create the design for the beautification of the upland portion of the ferry landing, which New York City constructed as part of its agreement with RIOC. RIOC is responsible for maintaining the ferry landing's surrounding landscape.

RIOC also received a \$5M transportation grant to create a dedicated shared-use bike lane along the East Promenade, which will extend the greenway from the Cornell terminus, just south of the ferry landing, to Motorgate Garage, creating safe passage for island cyclists. The design of the bike lane is currently underway and the construction is anticipated for FY23-24.

Recreational Facilities:

Essential recreational facilities available on the island include daycare facilities, public schools, the Good Shepherd Community Center, the Roosevelt Island Senior Center, and a branch of the New York Public Library (NYPL), among others. The Child School/Legacy High School, a government-funded private school, specializes in educating children with special needs. Seniors can participate in a variety of programs offered at the mid-island facility. Many of the seniors organize community events including re-introducing RIOC events where staff members visit the senior center to discuss a variety of important topics with the community.

The Good Shepherd Community Center and the Cultural Center offer space to organized groups, of different faiths, to celebrate their beliefs. At this time, religious services are still allowed to be conducted in these spaces at no more than 50% capacity and with the enforcement of physical distancing, masking compliance, and the following of other NYS COVID-19 guidelines. After the completion of landmark renovations, the historic Blackwell House opened in November 2020. This is now open to the public at 25% capacity and enforces COVID-19 safety measures. The Cultural Center also offers spaces to community groups as well as the Main Street Theatre and Dance Alliance. The Main Street Theater and Dance Alliance is a small venue that allows local groups to host productions throughout the year. Due to the pandemic, these activities were suspended but have resumed as the pandemic subsides. The island food pantry is currently operating out of the Cultural Center providing much needed free food pick up for the community in need.

The Roosevelt Island branch of the New York Public Library normally offers a variety of programs and access to computers six days a week. In response to COVID-19, RIOC has offered space at Sportspark for Learning Bridges youth programming; and repurposing the old and vacant NYPL space to serve as a pop-up COVID-19 rapid testing site (February 20, 2021 through June 30, 2021).

At the beginning of the COVID-19 pandemic, RIOC increased cleaning services by utilizing sanitation and cleaning services from New York State Industries for the Disabled (NYSID). The NYSID is the contracted firm responsible for providing custodial services for all RIOC facilities. Several areas housing essential staff required additional cleaning to help prevent the spread of COVID-19 while they continued to provide essential services to the community. The firm's cleaning practices and requirements align with the standards provided by the Center for Disease Control (CDC) and the New York State Department of Health (NYSDOH).

Retail Spaces:

The revitalization of Main Street and improvement of the retail spaces continues. On August 1, 2011 (“Commencement Date”), RIOC entered into a Master Sublease Agreement (“Agreement”) with Hudson Related Retail LLC (“HRR”) to redevelop, improve, market, lease, and professionally operate the retail spaces controlled by RIOC. RIOC received an annual guaranteed rent of \$900,000, increasing 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. The Agreement was amended on September 30, 2018 due to the expiration and non-renewal of the Westview Commercial Sublease (“Sublease”) on July 24, 2018, and the removal of Sublease commercial space from the Agreement. Thus, on July 25, 2018, the compounded annual guaranteed rent of \$1,023,507 was reduced to \$910,746.

As mentioned above, RIOC paid HRR \$329,846 for the unamortized cost of initial capital improvements, subsequent alterations to the commercial space under the Sublease, and retail brokerage fees incurred by HRR in marketing and leasing such commercial space. HRR was required to invest no less than \$2,365,000 in the aggregate in capital improvements during the first five years of the Agreement. According to its certified financial statements as of December 31, 2021, HRR invested \$3,593,763 and reported a loss of \$394,339. According to the Agreement, RIOC will share future profits, equally, once HRR has paid back its investment. HRR has yet to make any profit-sharing payment.

Hospitality Spaces:

In June 2021, the Graduate Roosevelt Island Hotel opened next to the entrance of the Cornell Tech campus. The 18-story hotel has 224 guest rooms, 5,200 square feet of flexible meeting and event spaces, a full-service restaurant, rooftop bar and lounge, and 360-degree panoramic views of New York City.

In September 2021, the Verizon Executive Education Center opened. The 4-story building is adjacent to the Graduate Roosevelt Island Hotel and was designed for academic conferences, executive programs, and academic workshops.

Infrastructure Maintenance/Projects:

Currently, there are 11 capital projects at different stages of procurement which include planning, development, design, and construction.

Projects completed this year include the renovation of the Roosevelt Island Youth Center, renovations to the Motorgate Garage, riprap revetment work at Southpoint Park, the Girl Puzzle Monument honoring Nellie Bly, Phase 1 of the Tram Elevators project, Phase 1 of the island wide IT infrastructure project, and the McManus Comfort Station. Several other projects currently in construction were impacted due to the COVID-19 pandemic. These projects are anticipated to be completed in the next fiscal year.

The pneumatic and equipment upgrade of the automated vacuum collection system (AVAC) was completed in March 2020. These upgrades, at a cost estimate of approximately \$2M, required replacing outdated controls, piping, exhausters, and the installation of new level controls in the garbage collecting containers. The upgrades have optimized the efficiency of the plant and have greatly reduced the annual energy consumption at the facility by adjusting the motor speeds of the exhausters to the inline loads in real time. Routine maintenance and upkeep of the pipes are required to ensure the path of travel of the collecting system is

unobstructed. ENVAC Iberia S.A. (ENVAC) is the company that specializes in performing maintenance of the underground piping system. The system has several manholes distributed along the east and west line of the system that provide access to pipes for repair, which is accomplished by welding steel plates over the interior walls of worn sections of the pipe. RIOC has added an additional manhole in the west line to provide an entry point to a restricted pipe connecting to one of the west side buildings. The AVAC system has remained fully operational after the completion of the project controls' upgrade, and it only goes offline during the planned bi-annual maintenance services. RIOC coordinates the maintenance activities with ENVAC such as to keep any possible shutdown to a minimum. The goal is to bring the entire system back online before the end of each workday. However, whenever circumstances require that the system remain shut down overnight, RIOC coordinates with The City of New York Department of Sanitation (DSNY) and arrangements are made to pick up the garbage directly from the street curbs outside of each possible affected building.

The newly renovated Roosevelt Island Youth Center (RIYC) provides a state-of-the-art facility for various educational and recreational programming and services for island youth. The RIYC re-opened in April of 2021 and has received a tremendous amount of use by the island youth.

The FDR Hope Memorial was completed and the plaza is open to the public. The sculpture honoring Franklin Delano Roosevelt is cast in bronze and shows the former president in a wheelchair greeting a young girl wearing braces and holding crutches.

Other projects currently in construction include \$10M for renovation of the Sportspark facility, \$2.6M for the renovation of the Light House Tower and the Phase II construction of the elevators on the Manhattan side of the Tram.

RIOC is proceeding with a construction Request for Proposal (RFP) for the design of the Steam tunnel renovations, design consultant for the island wide roadways and paved surface rehabilitation and the design of the Phase II for Blackwell Park with a potential award in FY-22-23. The roadway and paved surfaces project aims to review island-wide roads for accessibility and accommodation to the multi-modal transportation approaches on the island. The goal of the RFP is to produce a master plan that will guide the construction phasing and details for the roadways rehabilitation on the island and produce a set of construction documents for the Main Street starting at the Blackwell house and concluding at the Food Town Supermarket.

RIOC also has several projects that will provide new amenities and assets on the island. RIOC received a \$5M transportation grant to create a dedicated shared-use bike lane along the East Promenade. This will extend the greenway from the Cornell terminus, just south of the ferry landing, to Motorgate Garage, creating safe passage for island cyclists.

Several projects with grant funding are moving forward in design. Dewberry Engineering was hired to complete design documents for a dedicated bike ramp connecting the Queens Greenway to Roosevelt Island. The ramp will improve safety for cyclists and motorists by creating a new ramp within the helix. This project is funded through federal transportation funds awarded to RIOC through the Transportation Alternative Program (TAP) and Congestion Mitigation and Air Quality (CMAQ) Improvement Program, with the remainder funded through RIOC's capital program. The grant requires four separate reviews by New York State Department of Transportation (NYSDOT). We received approvals for our first review and plan to make our second submission in this fiscal year. This design project is scheduled to be completed by fall 2022.

We used federal grant funds received from New York State, as well as New York City landmark funds, to hire Walter Melvin Architects to complete the stabilization studies of the Smallpox Hospital located in Southpoint and prepare full construction documents. All survey and investigative work are complete, a final report with phasing options and estimates is under review. Due to the analysis of the engineering and structural documents, Walter Melvin's estimated construction cost value exceeds the RIOC budgeted anticipated construction value. After further reconciliation of the budget, the project is currently on hold.

RIOC contracted with Thomas Fenniman Architects to prepare construction documents for a \$3M renovation of the Lighthouse. Proposed designs were reviewed and approved by the State Historic Preservation Office. The project will restore the interior stairs, lighthouse tower, and reconstruct the lantern to match the original Renwick profile. An RFP for construction services was issued in February 2021 and the project is anticipated to complete in fall of 2022.

Finally, in fall of 2019, RIOC issued an RFP to hire a design firm for the expansion of Lighthouse Park. There was \$15M budgeted for design and construction costs to convert over 3.5 acres of asphalt parking into green space. Due to the COVID-19 pandemic, the project was put on hold for four months and resumed in late spring 2020. The project scope and budget was reduced. Currently, the project scale remains with minimal amenities and the budget is anticipated at \$6M for construction. The design consultant will conclude the construction document phase in early spring 2021. RIOC to evaluate the life safety concerns that are currently present at the northern parking lot and the seawall areas. Should temporary repairs not suffice to address the life safety concerns, a Lighthouse Park construction RFP may be issued to resolve those matters.

In December 2021, RIOC held a grand opening for the Nellie Bly Monument, valued at \$500K. The installation at Lighthouse Park is known as "The Girl Puzzle". The memorial features five (5) sculptures of faces, including Nellie Bly's, and four other women she interviewed, and three spheres. The spheres are varied in size and depict the amplification of Nellie's voice over time and are a tool for visitors to see themselves as part of the story. The proposal has received international attention from the Washington Post, Smithsonian Magazine, the Independent (U.K.), etc.

In accordance with the executed agreement for the Southtown development, construction work included the realignment of the baseball field, the addition of a new lighting system for the field, and a new public restroom at the southern edge of Firefighter's Field. In addition to this work, the last phase of housing development, outlined in the agreement for Building 9, was expected to begin in late 2020. However, due to the COVID-19 pandemic, it became uncertain when negotiations on the ground leases for Building 9 would begin. Work operation associated with construction of the new residential building requires closure of approximately 150' of the northern portion of the field to protect the public construction of the building. Additionally, due to COVID-19 and the Governor's "New York on PAUSE" directives, RIOC closed certain recreational facilities due to challenges associated with practicing physical distancing.

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 complies with the mandate set out in its enabling legislation through the adherence to its internal policies set forth in its investment, lobbying, procurement, and acquisition and disposal of property guidelines; policies regarding senior management, travel, reporting misconduct, personally owned vehicle usage, and Project Sunlight, among others; by-laws; and protection against adverse personnel action. Further, RIOC's Compliance and Internal Controls Officer supports these objectives and goals by implementing, maintaining, and monitoring an Internal Control program by conducting annual assessments and preparing Internal Control reports and certificates, among other things. Additionally, the Compliance and Internal Controls Officer is charged with implementing ongoing training programs for RIOC directors, managers, and staff pertaining to internal controls, ethics, procurement practices, human resources, contract administration, and other relevant rules, issues, and best practices. Finally, the Compliance and Internal Controls Officer also ensures that RIOC complies with statutes, regulations, and policies and, as such, regularly consults with executive management regarding RIOC business and courses of action by adhering to RIOC's internal policies and state mandates.

RIOC's General Counsel and Ethics Officer, along with the Director of Human Resources, conduct ethics training and implement other policies as needed or when updated by the State, as well as provides guidance and advice on best practices in furtherance of the day-to-day business of the Corporation. Finally, in July 2020, RIOC procured an Internal Control consultant through a competitive bidding process that will be charged with conducting a global assessment of all RIOC departments and units. The contract term is three years with two additional one-year extensions to be exercised at RIOC's sole discretion. The consultant will make suggestions as to what changes or improvements can be made to make daily operations more efficient and effective, as RIOC continues to evolve in step with constant changes to business practices and models. RIOC is confident that the Internal Control consultant will help RIOC implement best practices in accordance with industry standards, while also assisting to augment morale and productivity.

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 FY 2021-22 without currently relying on funds from the state of New York.

As set forth in Note 9(a) of the Notes to Financial Statements for March 31, 2022 and 2021, RIOC entered into an agreement with ESD for the repayment of certain public facilities debt and accrued operating deficit amounting to \$170,356,976, with a stated interest rate of 5.74%. ESD has acknowledged that there are significant projected future capital investments to be made by RIOC.

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 24-hours a day, seven days a week presence on Roosevelt Island, in an effort to promote a safe and secure environment through community-based policing. RIOC's PSD officers serve as front-line first

responders for the island’s residents, RIOC employees, island stakeholders, and visitors alike. Further, the PSD works closely with other members of law enforcement such as the New York City Police Department’s 114th Precinct, the New York City Fire Department, and Emergency Medical Services. It also coordinates with other state and private entities such as New York State Police, New York State Emergency Management, Cornell Tech’s security services, and the new private security force hired by the beneficiary owner of Roosevelt Landings to patrol its building, the largest apartment building complex on Roosevelt Island. Because the Corporation has placed more emphasis on community-based policing and quality of life issues, an approach first implemented by former Chief McManus, the island has one of the lowest crime rates per capita and has become one of the safest neighborhoods in New York City.

The Corporation has implemented software solutions for critical PSD-related records, such as incident reporting and case management. RIOC also created an Emergency Operations Center (EOC), equipped with state-of-the-art cameras and computer equipment for emergency response and contingency planning. RIOC continues to expand this system which, over the past year, has grown to include camera installations around the entire island, including the Cultural Center, all of which are monitored by the PSD. The expansion of this program has been successful in crime prevention, as well as increased collaboration and liaising with the 114th Precinct, other state and local law enforcement agencies, and local security guard forces from Roosevelt Landings and Cornell Tech.

RIOC also procured the services of a reputable consulting firm to conduct a “Situational Awareness and Demystifying Active Threats” training seminar to educate all RIOC employees on emergency response, preparedness, and tactical strategy in the event an active shooter is present on Roosevelt Island. Additionally, RIOC’s PSD has worked side-by-side with the NYPD and Cornell Tech security personnel to conduct an active shooter scenario training exercise on their campus. This training included an emergency response action plan from various agencies involved. The training was a huge success and an excellent exercise to prepare for future active shooter emergency response on Roosevelt Island.

RIOC has developed and implemented an updated training program for all members of PSD. The department has also joined a multi-agency training program which allows officers to attend training courses from various outside agencies, adjoining counties, and the Federal Government’s specialized training program. The training topics have included community policing, domestic violence, tactical patrol, and report writing. This training will improve community relations, morale, and develop new skills for all officers.

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

RIOC’s Capital Plan provides the framework to renew existing infrastructure, build new amenities, and maintain the quality of life for the Island’s residents, workers, and visitors. The Corporation achieves this by making capital improvements and strategically acquiring capital assets that support essential services such as transit, sanitation, public spaces, and public safety. Significant projects included in the proposed budget for FY22-23 progress include:

- Maintaining a state of good repair on the island’s Aerial Tramway, including the construction of new ADA-compliant elevators on the Manhattan side of the Tramway, at an estimated \$6.9 million.
- Installation of a new memorial honoring Nellie Bly, the ground-breaking journalist and women’s rights advocate who exposed the horrors of the Blackwell Island Insane Asylum in 1887 on Roosevelt Island, estimated at \$500K.
- Repairs to the historic Lighthouse Tower including restoration of the lantern, construction of a new lantern enclosure and deck, reconstruction of the internal stairs, and general repair and pointing of stonework, estimated at \$1.8M.
- Design of a new bike ramp that will bring cyclists onto island from the Roosevelt Island Bridge, to the East Promenade, estimated at \$4M which includes a \$2.96M state transportation grant.
- Design of a new shared-use bike lane along the East Promenade connecting the new bike ramp to the bike lane at Cornell Tech’s campus, estimated at \$6.25M which includes a \$5M state transportation grant.
- Rehabilitation of the seawall around Southpoint Park for an estimated cost of \$10.8M.
- Renovation of the Sportspark facility that will include an overhaul of the HVAC system, improvement and repairs to other critical systems, improvement of the men’s and women’s locker rooms and bathrooms, and replacement of the windows and doors, at an estimated cost of \$11M.
- Repairs to the McManus Field comfort station including repairs and replacement of the adjacent site work, seating and lighting at McManus Field, at an estimated total cost of \$5.9M.
- Renovation of the Motorgate Garage which will include repair of spalled and delaminated concrete support beams inside the garage; repair of concrete deck and ceilings, including connecting joints; application of a waterproofing system on parking deck, ramps, walkways, and curbs; removal and replacement of existing floor drains; re-stripping of parking spaces; installation of electric charging stations; and installation of new directional signage, at an estimated cost of \$20 million. Additionally, repairs to the building’s façade will take place at an estimated \$600K.
- See the annexed Capital Plan at Exhibit A.

It is important to note that many of the above projects that were contemplated for FY 21-22, have now been delayed due to the COVID-19 pandemic. While RIOC is very much committed to seeing these projects through, our priority remains to perform all necessary projects that are needed to be performed in the promotion of public safety and health. RIOC will further assess the need to perform these projects.

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

Roosevelt Island Operating Corporation (RIOC) has partnered with ChargePoint to bring this state-of-the-art and innovative technology to our progressive island. ChargePoint is the world’s largest network of independently owned and operated electric vehicle (EV) charging stations with over 30,000 charging stations, worldwide, providing drivers access to charge

on the go. Now, Roosevelt Island is a personal access point. Joining ChargePoint will provide access to their charging station network and the ability to track gasoline savings and green footprint. Roosevelt Island has three (3) ChargePoint CT400 Level 2 Dual-port charging Stations, which can charge six vehicles, total. Renewable energy and sustainability are the leading factors in our drive in becoming more of an eco-friendly community. Offering this resource can provide an example for other communities to take the lead in creating less of a harmful impact to the environment. RIOC is continually researching and implementing procedures and initiatives that align with our mission of enhancing the wellbeing of residents, and creating a holistic space where they can prosper and grow.

To limit the congestion caused by excess traffic, RIOC provides bus services using a fleet of hybrid and low-emission diesel fuel buses that limit production of greenhouse gases (GHG). Further reductions to the already low GHG levels are expected because the elimination of the bus fares will reduce stop and idling times associated with GHG production. RIOC purchased two additional Clean Air Diesel buses, in FY 16-17, to add to its fleet. RIOC has also co-sponsored a community-based garden club that manages a community garden on Roosevelt Island between the Octagon soccer field and the Pony baseball field. Among other activities, the Roosevelt Island Garden Club, through its “Go Green” initiative, sponsors the NYC Compost Project and recycling program, designed to make our environment more ecologically responsible.

On Earth Day in 2019, RIOC launched Roosevelt Island Green Map, Phase I. The map enlightens island residents of local environmental amenities such as recycling, e- waste/battery drop-off, compost sites, energy efficient facilities, and green infrastructure improvements. Additionally, RIOC has collaborated with the Engaged Opportunity Grant from Cornell University’s Office of Engagement Initiatives, to promote environment understanding and boost sustainable practices on Roosevelt Island. Furthermore, the goal is to foster collaboration with residents, community groups, schools, building managers, and island businesses for a more sustainable and healthier neighborhood.

In conjunction with New York State initiatives, RIOC participates in “Green Your Commute Day,” which encourages all state entities to challenge their employees to use alternative methods (other than driving a car) to commute to work for one day, each May. Although many RIOC employees already take public transportation to and from work, “Green Your Commute Day” has become a success at RIOC. RIOC has also implemented a battery recycling program where drop-off receptacles have been placed in several RIOC facilities where employees can drop off used batteries for recycling. To date, RIOC has collected approximately 150 lbs. of used batteries.

RIOC also has a green map initiative that informs the community of our current drop sites for batteries, clothes, compost, and other sustainable amenities throughout the Island. Additional collaborations include “Green Roof,” which involves the installation of green roofs in upcoming projects. The installations are in compliance with New York City Local Law 92/94, which requires construction projects that involve roof replacement, to install solar PV or a green roof on all usable roof space. Such roofs have been incorporated in the construction of RIOC’s McManus Field comfort station, as well as solar panels planned for installation at the Lighthouse Park comfort station.

Finally, RIOC is also collaborating with Cornell Grant Opportunity, now branded as “Engaged RI”, that promotes community sustainability efforts with Cornell Tech, island organizations, small businesses, and property managers/operations, among others. Since its creation, “Engaged RI” has hosted several events to bring awareness to waste management,

environmental awareness and education with school children, and Roosevelt Island nature and wildlife appreciation.

8. To effectively communicate with all stakeholders.

Notices are posted to all stakeholders in public view and on the RIOC website for all Board of Directors and Committee meetings pursuant to the New York State Open Meetings Law. RIOC has continued to use its website and social media platforms to disseminate community information, operations updates, capital project updates via the Capital Projects Tracker, and financial data. The Communications and Community Affairs Department is also responsible for updating the News Alerts section of the website, which keeps the community informed about all the latest news pertaining to RIOC. Everbridge an emergency alert and notification platform, is used as a secondary method of distributing information in the form of alerts to the Roosevelt Island community – via email, text and voicemail/landline updates to the public. The service is free to the public requiring subscribers to provide basic contact information to sign up for the service.

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

The fares for passengers riding the Aerial Tramway are collected on RIOC's behalf via the Metro Card system through a partnership with New York City Transit. This partnership promotes the efficiency of the system by connecting riders to the mass transit system of the greater urban area. As noted in item 2, page 4 of this report, RIOC has partnered with Hudson Related Retail to revitalize the island's commercial sector. Also, RIOC routinely coordinates with administrators of New York State Parks Recreation and Historic Preservation, Cornell Tech, NYPD's 114th Precinct, and New York State Emergency Management for the efficient planning of public events.

As mentioned in the Transportation section, RIOC also entered into a MOU with the New York City Economic Development Corporation to expand the Citywide Ferry Service to Roosevelt Island.

The City of New York has obtained a \$1.6 billion-dollar federal commitment in funding by FEMA to repair and protect the city's public hospitals that were damaged during Hurricane Sandy. The allocation, as part of the citywide resiliency plan, includes Coler Hospital, a facility operated by HHC that provides rehabilitation and specialty nursing services to its residents.

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

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

March 31, 2022 and 2021

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:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Roosevelt Island Operating Corporation (RIOC), a component unit of the State of New York, as of and for the years ended March 31, 2022 and 2021, and the related notes to financial statements, which collectively comprise RIOC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RIOC, as of March 31, 2022 and 2021, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RIOC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RIOC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RIOC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise RIOCI's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2022 on our consideration of RIOCI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of RIOCI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering RIOCI's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 28, 2022

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

Management's Discussion and Analysis

March 31, 2022

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Roosevelt Island Operating Corporation (RIOC) at March 31, 2022 and 2021, and the results of its operations for the years then ended. Management has prepared the financial statements and related note disclosures along with this MD&A in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board (GASB) 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 additional 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 POSITION

The following is a summary of the RIOC's Statements of Net Position at March 31, 2022 and 2021 and the percentage changes between March 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Current and other assets	\$ 29,549,644	57,960,902	-49%
Capital assets, net	<u>154,172,575</u>	<u>133,012,286</u>	16%
Total assets	<u>183,722,219</u>	<u>190,973,188</u>	-4%
Deferred outflows of resources	<u>5,378,301</u>	<u>5,443,084</u>	-1%
Liabilities	<u>67,669,777</u>	<u>71,371,570</u>	-5%
Deferred inflows of resources	<u>5,543,300</u>	<u>3,479,000</u>	59%
Net position	\$ <u>115,887,443</u>	<u>121,565,702</u>	-5%

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

On RIOC's Statement of Net Position at March 31, 2022 total assets of \$183,772,219 and deferred outflow of resources of \$5,378,301 exceeded total liabilities of \$67,669,777 and deferred inflows of resources of \$5,543,300 by \$115,887,443 (net position). Total assets are comprised of capital assets (e.g., buildings, machinery and equipment) totaling \$154,172,575, noncurrent investments totaling \$6,723,065, cash and short-term investments totaling \$3,369,562 and other assets of \$19,457,017. Liabilities are comprised of accounts payable and accrued expenses of \$2,346,781, compensated absences of \$1,161,688, unearned revenues of \$50,002,275 (prepaid rents), total OPEB liability of \$14,147,419, and other liabilities totaling \$11,614. Unearned revenues represent the prepaid ground rent revenue received for the Southtown and Octagon development projects that will be recognized over their respective lease terms.

The decrease in the deferred outflows of resources in the amount of \$64,783 or 1% and the increase in the deferred inflows of resources in the amount of \$2,064,300 or (59%) are due to RIOC's compliance with the provisions of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" (GASB No. 68), GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68" (GASB No. 71), and GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB No. 75). See notes 2(j) for additional information and 7(b-h) for the financial statement impact of compliance on the financial statements for pensions; and note 10 for OPEB.

The following is a summary of the RIOC's Statements of Net Position at March 31, 2021 and 2020 and the percentage changes between March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Current and other assets	\$ 57,960,902	64,065,209	-10%
Long-term receivables	-	4,345,205	-100%
Capital assets, net	<u>133,012,286</u>	<u>112,926,592</u>	18%
Total assets	<u>190,973,188</u>	<u>181,337,006</u>	5%
Deferred outflows of resources	<u>5,443,084</u>	<u>3,044,734</u>	79%
Liabilities	<u>71,371,570</u>	<u>51,739,050</u>	38%
Deferred inflows of resources	<u>3,479,000</u>	<u>4,538,464</u>	-23%
Net position	\$ <u>121,565,702</u>	<u>128,104,226</u>	-5%

On RIOC's Statement of Net Position at March 31, 2021 total assets of \$190,973,188 and deferred outflow of resources of \$5,443,084 exceeded total liabilities of \$71,371,570 and deferred inflows of resources of \$3,479,000 by \$121,565,702 (net position). Total assets are comprised of capital assets (e.g., buildings, machinery and equipment) totaling \$133,012,286, noncurrent investments totaling \$7,165,943, cash and short-term investments totaling \$31,994,703 and other assets of \$18,800,256. Liabilities are comprised of accounts payable and accrued expenses of \$2,892,778, compensated absences of \$1,033,023, unearned revenues of \$51,071,842 (prepaid rents), total OPEB liability of \$12,352,555, and other liabilities totaling \$4,021,372. Unearned revenues represent the prepaid

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

ground rent revenue received for the Southtown and Octagon development projects that will be recognized over their respective lease terms. The increase in the deferred outflows of resources in the amount of \$2,398,350 or 79% and the decrease in the deferred inflows of resources in the amount of \$(1,059,464) or (23%) are due to RIOCI's compliance with the provisions of GASB No. 68, GASB No. 71 and GASB No. 75. See notes 2(j) for additional information and 7(b-h) for the financial statement impact of compliance on the financial statements for pensions; and note 10 for OPEB.

OPERATING ACTIVITIES

RIOCI's Statements of Revenue, Expenses and Changes in Net Position are used to report changes in the net position, including depreciation expense. Revenue is reported based on a standard of recognition whereby revenue is recorded when earned. The Statements of Revenue, Expenses and Changes in Net Position detail program revenue by major source and expenses by natural classification and indicate the change in net position.

RIOCI's total operating revenue for the year ended March 31, 2022 was \$30,894,546. For the year ended March 31, 2022, operating revenue increased by \$3,214,423 or 12% over the prior year. This was mainly due to an increase in residential fees of \$1,872,889, ground rent of \$1,423,598, commercial rent of \$42,476, tramway revenue of \$1,347,644, public safety reimbursement of \$94,595, and transport/parking revenue of \$310,315 offset by an decrease in interest income of 293,977 and other revenue of \$1,585,950.

RIOCI's total operating revenue for the year ended March 31, 2021 was \$27,680,123. For the year ended March 31, 2021, operating revenue decreased by \$3,384,463 or 11% over the prior year. This was mainly due to a decrease in residential fees of \$1,585,084, tramway revenue of \$2,883,535, transport/parking revenue of \$241,097 and interest income of \$661,061 offset by an increase in other revenue of \$1,546,038 and ground rent of \$283,858.

RIOCI's total expenses for the year ended March 31, 2022 were \$36,572,805 and \$34,218,647 for the year ended March 31, 2021, including depreciation of \$7,304,099 and \$5,933,739, respectively. For year ended March 31, 2022, total operating expenses before depreciation increased by \$983,798 or 3% over the prior year. This was mainly due to increase in insurance of \$393,476, professional and legal services of \$693,727, management fees of \$275,861, vehicles maintenance of \$107,451, supplies/services of \$154,464 and other expenses of \$392,960 offset by a decrease in personal services of \$508,298, repairs and maintenance \$475,388 and equipment purchases/lease of \$45,106.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

RIOC's total expenses for the year ended March 31, 2021 were \$34,218,647 and \$30,126,488 for the year ended March 31, 2020, including depreciation of \$5,933,739 and \$4,797,143, respectively. For year ended March 31, 2021, total operating expenses before depreciation increased by \$2,955,563 or 12% over the prior year. This was mainly due to increases in personal services of \$1,662,124, insurance of \$1,363,804, professional and legal services of \$453,161, and repairs and maintenance of \$110,570 offset by a decrease in supplies/services of \$101,931 and other expenses of \$508,298.

The following summarizes RIOC's change in net position for the years ended March 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Operating revenue:			
Residential fees	\$ 3,555,678	1,682,789	111%
Ground rent	16,060,409	14,636,811	10%
Commercial rent	1,704,219	1,661,743	3%
Tramway revenue	2,990,399	1,642,755	82%
Public safety reimbursement	2,299,698	2,205,103	4%
Transport/parking revenue	2,605,324	2,295,009	14%
Interest income	704,997	998,974	-29%
Unrealized loss	-	(2,833)	-100%
Other revenue	<u>973,822</u>	<u>2,559,772</u>	-62%
Total operating revenue	<u>30,894,546</u>	<u>27,680,123</u>	12%
Operating expenses:			
Personal services	14,440,686	14,948,984	-3%
Insurance	3,540,976	3,147,500	13%
Professional services and legal services	2,294,301	1,600,574	43%
Management fees	5,650,240	5,374,379	5%
Telecommunications	216,082	221,431	-2%
Repairs and maintenance	945,063	1,420,451	-33%
Vehicles maintenance	295,004	187,553	57%
Equipment purchases/lease	160,681	205,787	-22%
Supplies/services	1,207,506	1,053,041	15%
Other expenses	<u>518,167</u>	<u>125,208</u>	314%
Total operating expenses, excluding depreciation	<u>29,268,706</u>	<u>28,284,908</u>	3%
Operating income before depreciation	1,625,840	(604,785)	-369%
Depreciation expense	<u>(7,304,099)</u>	<u>(5,933,739)</u>	23%
Change in net position	(5,678,259)	(6,538,524)	-13%
Net position at beginning of year	<u>121,565,702</u>	<u>128,104,226</u>	-5%
Net position at end of year	\$ <u>115,887,443</u>	<u>121,565,702</u>	-5%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Management's Discussion and Analysis, Continued

The following summarizes RIOC's change in net position for the years ended March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Operating revenue:			
Residential fees	\$ 1,682,789	3,267,873	-49%
Ground rent	14,636,811	14,352,953	2%
Commercial rent	1,661,743	1,635,567	2%
Tramway revenue	1,642,755	4,526,290	-64%
Public safety reimbursement	2,205,103	2,089,069	-6%
Transport/parking revenue	2,295,009	2,536,106	-10%
Interest income	998,974	1,660,035	-40%
Unrealized loss	(2,833)	(17,041)	-83%
Other revenue	<u>2,559,772</u>	<u>1,013,734</u>	153%
Total operating revenue	<u>27,680,123</u>	<u>31,064,586</u>	-11%
Operating expenses:			
Personal services	14,948,984	13,286,860	13%
Insurance	3,147,500	1,783,696	76%
Professional services and legal services	1,600,574	1,147,413	39%
Management fees	5,374,379	5,449,316	-1%
Telecommunications	221,431	189,759	17%
Repairs and maintenance	1,420,451	1,309,881	8%
Vehicles maintenance	187,553	178,388	5%
Equipment purchases/lease	205,787	195,554	5%
Supplies/services	1,053,041	1,154,972	-9%
Other expenses	<u>125,208</u>	<u>633,506</u>	-80%
Total operating expenses, excluding depreciation	<u>28,284,908</u>	<u>25,329,345</u>	12%
Operating income before depreciation	(604,785)	5,735,241	-111%
Depreciation expense	<u>(5,933,739)</u>	<u>(4,797,143)</u>	24%
Change in net position	(6,538,524)	938,098	-797%
Net position at beginning of year	<u>128,104,226</u>	<u>127,166,128</u>	1%
Net position at end of year	\$ <u>121,565,702</u>	<u>128,104,226</u>	-5%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Management's Discussion and Analysis, Continued

CAPITAL ASSETS

The following summarizes RIOC's net capital assets as of March 31, 2022 and 2021 and the percentage change between years:

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Seawall	\$ 13,228,063	13,273,435	0%
Buildings and building improvements	56,596,515	44,917,867	26%
Landmarks	10,380,233	9,015,953	15%
Vehicles and equipment	2,059,425	2,482,138	-17%
Infrastructure	71,599,816	62,984,483	14%
Leasehold improvements	<u>308,523</u>	<u>338,410</u>	-9%
Total capital assets, net	\$ <u>154,172,575</u>	<u>133,012,286</u>	16%

The capital assets of \$154,172,575 presented in the financial statements have been depreciated using the straight-line method, effective from the date of acquisition. The increase of \$21,160,289 from the prior year is comprised of the addition of new capital assets of \$28,464,388, which are part of RIOC's approved ten-year Capital Plan, offset by annual depreciation of \$7,304,099. Total depreciation expense for all capital assets amounted to \$7,304,099 and \$5,933,739 for the years ended March 31, 2022 and 2021, respectively. A more detailed analysis of RIOC's capital assets is presented in note 3.

The following summarizes RIOC's net capital assets as of March 31, 2021 and 2020 and the percentage change between years:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Seawall	\$ 13,273,435	13,206,943	1%
Buildings and building improvements	44,917,867	31,826,315	41%
Landmarks	9,015,953	9,080,880	-1%
Vehicles and equipment	2,482,138	2,920,082	-15%
Infrastructure	62,984,483	55,524,075	13%
Leasehold improvements	<u>338,410</u>	<u>368,297</u>	-8%
Total capital assets, net	\$ <u>133,012,286</u>	<u>112,926,592</u>	18%

The capital assets of \$133,012,286 presented in the financial statements have been depreciated using the straight-line method, effective from the date of acquisition. The increase of \$20,085,694 from the prior year is comprised of the addition of new capital assets of \$26,022,266, which are part of RIOC's approved ten-year Capital Plan, offset by annual depreciation of \$5,933,739, and the disposition of old capital assets in the amount of \$19,999 with the corresponding accumulated depreciation on assets disposed of \$17,166. Total depreciation expense for all capital assets amounted to \$5,933,739 and \$4,797,143 for the years ended March 31, 2021 and 2020, respectively. A more detailed analysis of RIOC's capital assets is presented in note 3.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

INFRASTRUCTURE ASSETS

The amounts reported in the accompanying statements of net position for capital assets (net of depreciation) of RIOC of \$154,172,575 and \$133,012,286 at March 31, 2022 and 2021, respectively, do not include an amount for two infrastructure items: (1) the bulk of the seawall; and (2) Main Street (the road). Pursuant to the provisions of GASB Statement No. 34 - Basic Financial Statement and Management's Discussion and Analysis - For State and Local Governments, addressing the capitalization of infrastructure assets, infrastructure assets dating from prior to 1980 are not required to be recognized. However, improvements to such infrastructure items are disclosed.

ECONOMIC FACTORS AFFECTING RIOC'S FUTURE FINANCIAL POSITION

Eight (8) of the anticipated nine (9) buildings (collectively, the Buildings) of the Southtown Development Project have been completed. The Lease for Building 8 ("Ground Lease") was executed as of December 26, 2018 ("Commencement Date"). From the Commencement Date to the earlier of (i) the date upon which one or more Temporary Certificates of Occupancy is issued by the New York City Department of Buildings for at least ninety percent (90%) of the Units in Building 8, or (ii) the second (2nd) anniversary of the Commencement Date, Construction Period Ground Rent shall be payable at the rate of \$24,000 monthly (\$288,000 annually). The earlier of (i) or (ii) in the preceding sentence is the Rent Commencement Date (RCD), which occurred on July 19, 2020.

Commencing on the RCD, Ground Rent increased to \$576,000, which shall escalate by 3% annually and be re-set, as set forth in the Ground Lease. In addition, the developer, Hudson Companies Incorporated & the Related Companies L.P. (Hudson/Related) was required to pay RIOC a Specified Rental Payment (SRP) of \$16,800,000. According to the lease terms, the SRP was due on the RCD, but Hudson/Related could defer payment until the earlier of (i) a period not to exceed thirty-six (36) months from the RCD, or (ii) developer's sale of development rights under the Inclusionary Housing Program, as set forth in section 23-90 of the New York City Zoning Resolution (ZR), and in either case, all unpaid Specified Rental Payment would bear simple interest at the rate of 4%. Furthermore, Hudson/Related was obligated to contribute \$1,000,000 towards the construction of a comfort station in Firefighter's Field. In light of the COVID-19 pandemic, RIOC has determined that the funds that would have been used to construct the comfort station would be better directed to other construction projects on Roosevelt Island that would benefit the health and safety of the residents of Roosevelt Island. Accordingly, RIOC agreed to release Hudson/Related from the obligation to construct the comfort station and to instead have Hudson/Related pay RIOC the \$1,000,000.

Building 9 lease closing shall occur no later than 30 months after the Building 8 Lease Closing. Should closing fail to occur within the expected timeframe, RIOC is protected by a Letter of Credit in the amount of \$1,958,400. Unfortunately, due to the outbreak of the COVID-19 pandemic that hit New York City in and around February 2020, negotiations for the ground lease were suspended. The thirty (30) month period for the Building 9 Lease closing was extended six (6) months to December 26, 2021 and is currently in the process of being renegotiated.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

Roosevelt Landings, formerly known as Eastwood, exited the Mitchell Lama (ML) program in 2006. Units are now a mix of market rate, enhanced voucher, and Landlord Assistance Plan units, with rents that will convert to market rate upon vacancy. As of March 31, 2022 and 2021, 339 or 34% and 390 or 39% of the units have been converted to market rate units, respectively. The ground lease for Roosevelt Landings expires in 2068. On October 17, 2019, RIOC's Board of Directors approved the sale of Roosevelt Landings. This property sale was very well received because of the new owner's commitment to maintain affordable housing units within the property. As part of that transaction, BSREP UA Roosevelt Landings, LLC, sold its interests and ground lease obligations in the property to Putnam Harlem JV LP, and Roosevelt Landings Owner, LLC as the beneficial owner to purchaser. The assignment of the lease and rights thereunder, per its terms, triggered a transaction payment due to RIOC in the amount of \$1,816,137. RIOC received that payment on October 23, 2019.

Island House exited from ML on September 28, 2012, under a thirty-year Affordability Plan. At that time, the ground lease for Island House was extended to 2068. This Plan provided a structure for the creation of a leasehold condominium and the conversion of the residential portion of the building to cooperative ownership. The conversion to cooperative ownership occurred on January 1, 2014, the first day of the year following the conversion in accordance with the terms of the lease. At least 65% of the units will either be sold as affordable CO-OPs or remain as affordable rentals; and as of March 31, 2022 and 2021, 165 or 41% and 71 or 18% of the units have been converted to market rate, respectively.

On or about March 27, 2014 ("Withdrawal Date"), Rivercross Tenants Corp. exited the ML program without settling the financial terms required under Amendment 1 to the Restated Ground Lease. The parties, upon RIOC's Board approval on April 18, 2018, subsequently entered into arbitration and concluded with a settlement agreement with authorization for a second amendment to the Restated Ground Lease ("Second Amendment"), with an effective date of May 30, 2018 ("Effective Date"). Pursuant to the Second Amendment, the ground rent was reset to \$2,500,000 ("Re-Set Ground Rent") per year as of the Withdrawal Date. As of April 1, 2022, and on each fifth anniversary of that date thereafter, the Re-Set Ground Rent will increase by 10%. On the Effective Date, a settlement in the amount of \$10,287,489 ("Settlement Amount") was made for the underpayment of ground rent during the period from the Withdrawal Date to the Effective Date. \$5,273,791 of the Settlement Amount was paid on the Effective Date and the remaining \$5,013,698 was recorded as long-term receivable and will be paid in fifteen (15) equal annual installments of principal, together with interest thereon from the Effective Date at the rate of four percent (4%) per annum, commencing on the first anniversary of the Effective Date, and on each anniversary of such date in subsequent years. On December 11, 2020, the balance in the amount of \$4,467,452 was paid in full.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

On July 26, 2018, the ground lease with North Town Phase III Houses, Inc. ("Westview") was amended to: (1) extend the term through December 22, 2068; and (2) document the exit from the ML program in exchange for Westview to be maintained as an affordable housing complex for a period of 30 years pursuant to an Affordability Plan. The Affordability Plan provides that for the next 30 years at least 55% of the 361 residential units, (i.e. at least 199 units) will either be affordable restricted price cooperative apartments or affordable rental units. As of March 31, 2022 and 2021, 355 or 98% and 361 or 100% of the units are affordable, respectively. The existing ground rent with respect to the Residential Portion in the amount of \$70,681 per annum remains in effect until the First Ground Rent Adjustment Date. Commencing as of the First Ground Rent Adjustment Date and continuing through and including the day preceding the fifth anniversary of the First Ground Rent Adjustment Date, the Ground Rent shall be \$325,000 per annum, and would increase by 10% every 5 years during the 30-year affordable period, and thereafter at 4% per year. As used herein, the term "First Ground Rent Adjustment Date" means the later of (a) the first day of the Project's fiscal year immediately following the Master Cooperative Closing (provided the Master Cooperative Closing shall occur within three years of the date of this Fourth Amendment), or (b) the date of this Fourth Amendment, if the Master Cooperative Closing does not occur within three years of the date of this Fourth Amendment. If the Master Cooperative Closing occurs more than three years after the date of this Fourth Amendment, then the difference between the ground rent payable on the First Ground Rent Adjustment Date and the existing ground rent for the period between the date of this Fourth Amendment and the Master Cooperative Closing shall be paid to RIOC in twenty-four equal installments, commencing on the first day of the first month following the Master Cooperative Closing. The amended ground lease also caused RIOC to relinquish rights and reduce the amount of retail space within its' portfolio; as those storefronts were excluded from the 2068 extension and thereby cause those property interests to revert back to Westview's owner. As a result, RIOC paid Hudson Related Retail LLC (HRR) \$329,846 for the unamortized cost of Initial Capital Improvements and subsequent alterations to the commercial space under the Sublease, and Retail Brokerage Fees incurred by HRR in marketing and leasing such commercial space.

The Modernized Aerial Tramway (Tram), which was placed in service on November 31, 2010, is an efficient, safe, and relatively quick mode of transportation between Roosevelt Island and mid-town Manhattan. On March 1, 2017, following the issuance of a Request for Proposal (RFP) and procurement process, RIOC entered into a five-year agreement (along with an optional five-year renewal) with Leitner-Poma for the operation and maintenance (OM) of the Tram at a fixed cost of \$21,767,456 for five years. The contract has been extended through March 31, 2023. This contract ensures that the Tram continues to operate in a state-of-the-art condition. Additionally, any long-term repairs or overhauls that are needed will also be covered under the terms of this contract. The cost of the long-term repairs or overhauls are additional expenses that RIOC is responsible for and are approved in advance on an annual basis and included in RIOC's approved ten-year Capital Plan.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

During the year that ended on March 31, 2022, total ridership on the Tram increased to 1,539,126 from 825,913 and Tramway revenues increased by \$1,347,644 or 82% over the year ended March 31, 2021. The increase in ridership is attributed to the gradual reduction of COVID-19 travel and safety restrictions. The Governor's Executive Order "New York State on PAUSE" on March 20, 2020, directed non-essential workers to work from home, and implemented social distancing practices. These mandates limit the number of riders on the Tram which resulted in a significant decrease in the capacity for ridership. Consequently, RIOC experienced a precipitous drop in revenue. RIOC anticipates that ridership will eventually return to pre-pandemic numbers as the population is vaccinated. The cost and revenue of the Tram were \$4,935,339 and \$2,990,399, respectively.

Additionally, RIOC, through a competitive bidding process, awarded a contract on December 5, 2017 to build a new Tramway elevator in Manhattan, located on East 63rd street and Second Avenue. Construction is steadily progressing and was due to be completed by winter 2021. However, RIOC experienced a delay in this completion date due to the COVID-19 pandemic and the impact on the supply chain and its vendors. The construction was completed in April 2022. The cost of this project was \$7 million. This project is part of RIOC's approved ten-year Capital Plan and its cost was funded from RIOC's working capital.

The revitalization of Main Street and improvement of the retail spaces continues. On August 1, 2011 ("Commencement Date"), RIOC entered into a Master Sublease Agreement ("Agreement") with Hudson Related Retail LLC (HRR) to redevelop, improve, market, lease and professionally operate the Retail Spaces controlled by RIOC.

RIOC received an annual guaranteed rent of \$900,000 - increasing 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. The Agreement was amended on September 30, 2018 due to the expiration and non-renewal of the Westview Commercial Sublease ("Sublease") on July 24, 2018, and the removal of Sublease commercial space from the Agreement. Thus, on July 25, 2018, the compounded annual guaranteed rent of \$1,023,507 was reduced to \$910,746.

As mentioned above, RIOC paid HRR \$329,846 for the unamortized cost of Initial Capital Improvements and subsequent alterations to the commercial space under the Sublease, and Retail Brokerage Fees incurred by HRR in marketing and leasing such commercial space. HRR was required to invest no less than \$2,365,000 in the aggregate in capital improvements during the first five years of the Agreement. According to its unaudited financial statements as of December 31, 2021, HRR invested \$3,560,845 and reported a loss of \$223,724. According to the Agreement, RIOC will share future profits equally once HRR is paid back its investment. HRR has yet to make any profit-sharing payment.

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

Management's Discussion and Analysis, Continued

Roosevelt Island was selected by the City of New York (the City) for the site of the Cornell Tech Applied Sciences Graduate School (Cornell). The project, forecasted to be built in three phases over a twenty-year period, will be located on the City's Goldwater Hospital site (Goldwater Site). Because of resolutions passed by the Board of Directors, RIOC worked with Cornell throughout Phase I construction and will continue coordination throughout all construction phases. RIOC received, among other things, new roads and a new sewage system around the construction site because of its contributions to this project.

On December 21, 2013, the RIOC Board of Directors resolved, among other things, to amend its Master Lease with the City to exclude an additional 2.62 acres ("Parcel") surrounding the Goldwater Site so that it could be incorporated into the 9.8 acres being used for Cornell. As part of the surrender of the Parcel back to the City, the State made a commitment to fund an amount equivalent to \$1,000,000 annually for 55 years (escalating 2.5% every 10 years) with payment fully made by December 31, 2018 to support capital infrastructure improvements on Roosevelt Island as determined in accordance with state budgetary procedure. RIOC received the full payment in the amount of \$25,028,000 in December 2018. In addition, Cornell pays RIOC \$400,000 annually for 55 years, (increasing by 2% every 10 years) for the parcel of land that it received.

Three of the five buildings in Phase I of the Cornell project, an academic building, a corporate co-location building, and graduate student housing, were completed in August 2017, and the campus officially opened for classes in the same month. Cornell has begun construction of the remainder of Phase I, which includes two additional buildings, an approximately 100-room hotel and an executive education center. This construction began in March 2018 and was completed in 2021. The Graduate Roosevelt Island Hotel opened in June 2021 and the Verizon Executive Education Center opened in September 2021. Phases II and III of the Cornell projects have not started and are not required to be proposed before 2027.

In February 2021, RIOC issued a RFP for the renovation of Sportspark, which was awarded in March 2021 with an anticipated completion by late Summer 2022. The project's construction cost is \$10 million. Renovations will overhaul the HVAC system, improve, and repair other critical systems, improve the men's and women's locker rooms and bathrooms, and replace the windows and doors. Additional improvements include an updated gymnasium and exterior façade as well as overall programmatic upgrades. The cost of this project will be funded through RIOC's working capital.

In March 2017, RIOC issued a RFP for the first phase of enhancements at its Youth Center, located on Main Street. Construction for the first phase, which included replacement of the roof and terrace, was completed in October 2017. Phase II of this project continues with replacing the windows in the main room that overlooks the courtyard, modernizing and beautifying the layout and interior design of the facility, including upgrades to the bathrooms to conform to ADA standards, expanding the

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

Management's Discussion and Analysis, Continued

teaching kitchen, new lighting, doors and other critical systems. The scope of the project was expanded and, as a result, the original contract for the project was terminated; another RFP was issued in January 2019; and the project resumed in May 2019. The project is now completed. The Youth Center opened in April 2021. The project's construction cost was \$2.17 million, which was funded through RIOC's working capital.

On March 13, 2018, RIOC issued a RFP seeking bids for architectural design services for a dedicated Bike Ramp for bicyclists traveling between the Roosevelt Island Bridge and street level on the Island. On July 23, 2018, RIOC entered into contract with the successful bidder to provide the design services and collaborate on the project from design through construction. The Bike Ramp will improve safety for both cyclists and motorists and increase ease of access for cyclists coming onto the Island. The estimated cost is \$4 million dollars. RIOC intends to fund the project in part by use of a grant in the amount of \$2,963,705 in federal transportation funds awarded to RIOC through the Transportation Alternative Program (TAP) - Congestion Mitigation and Air Quality (CMAQ) Improvement Program, with the remainder funded through RIOC's capital program. RIOC has also had discussions with select state and local officials concerning additional contributions of capital funds. The grant requires four separate reviews by NYS DOT. RIOC submitted for the first review and received approvals and the second and third submissions were made in FY 22. The project provides a vital link for cyclists between the Island and dedicated bike lanes in Queens and is expected to be used by Island residents, visitors and commuters. This project is expected to be completed by the Fall of 2022.

On April 24, 2019, New York State Department of Transportation awarded RIOC \$5,000,000 for funding a Bike Lane. This is a reimbursement funding that will cover up to 80% of eligible cost. Total cost of the project is \$6.25 million. This project was expected to start in the Spring of 2020 and be completed by Summer 2021. However, the design schedule has been extended due to COVID-19, and the completion is yet to be determined.

Design documents to reconstruct the seawall in Southpoint Park, which extends from the northern tip of the park to the beginning of the Four Freedoms State Park on both the east and west sides, extending approximately 1600 linear feet, are complete. RIOC received permits from City, State and Federal oversight agencies with jurisdiction over work operation. RIOC estimates that the repairs will cost approximately \$11 million. RIOC anticipates receiving \$604,000 from Federal Emergency Management Agency (FEMA) for the damage caused by Hurricane Irene and Superstorm Sandy. In March 2021, RIOC received a partial payment of \$453,00 from FEMA and expects to receive the remaining \$151,000. The balance of the cost will be provided through RIOC's working capital. The project will also remediate contaminated soil conditions and remove construction debris placed along the shoreline. On March 30, 2020, RIOC issued an RFP for construction to hire contractors through its competitive bidding process to complete the work. The successful bidder was awarded the contract on July 1, 2020. The approved permits for waterside operations prohibit working in the water between March and June. This project was completed in Fall 2021.

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

Management's Discussion and Analysis, Continued

On February 7, 2018, RIOC issued an RFP seeking professional services from a qualified firm to redevelop and repair Octagon Field, one of Roosevelt Island's most popular outdoor fields. The first phase of improvements at Octagon Field, including the installation of a new synthetic turf, new LED lighting fixtures and path upgrades were completed in Fall 2019, at a cost of \$1.1 million, which was provided through RIOC's working capital. At the opening day ceremony, RIOC renamed the field to honor, John McManus, its' recently deceased Chief of Public Safety Department. During his tenure as the Chief of RIOC's Public Safety Department, Jack dedicated many hours to coaching youth soccer teams. When the field reopened, permit requests stabilized to equal pre-construction numbers. RIOC had planned a second phase of improvements, valued at \$5.9 million, to reconstruct and expand the public rest room, install a new shade structure, create new ADA accessible seating areas, install new ADA compliant paths and improve landscaped areas. Although these additional improvements were stalled due to COVID-19, RIOC was able to resume work on this project. The total estimated cost of the project was \$5.4 million, which was provided through RIOC's working capital. This project was completed in Fall 2021.

On January 9, 2019, RIOC issued an RFP seeking bids to renovate a section of the Motorgate structure. Motorgate is the central parking facility for Roosevelt Island residents. Renovation includes repair of spalled and delaminated concrete support beams inside the garage, repair of concrete deck and ceilings, including connecting joints, application of waterproofing system on parking deck, ramps, walkways, and curbs, removal and replacement of existing floor drains, and restriping of parking spaces, installation of electric charging stations, and installation of new directional signage. Bids were received on March 6, 2019 and the selection of the successful bidder was made in April 2019. The project started in June 2019 and was delayed by the COVID-19 pandemic. However, this project was completed in Fall of 2021 at a total cost of \$19.5 million, which will be provided through RIOC's working capital.

Roosevelt Island's Automated Vacuum Collection system (AVAC) is a network of underground pneumatic tubes that connects every building to a central garbage collection station ("Terminal Station"). AVAC uses vacuum to pull garbage through these tubes and empties it into large containers for carting off the Island. AVAC, one of the first full-scale pneumatic installations in the world, is now in need of upgrading as its original equipment is near the end of its expected life.

The first phase of improvements to modernize the AVAC were completed in March 2020. These upgrades, at a cost estimate of approximately \$2 million, required piping, replaced outdated controls, piping and exhaust systems and installed new laser sensors that automated steps in the collection process. These upgrades have optimized the efficiency of the facility and greatly reduced the annual energy consumption at the facility. A second phase of work will replace equipment and controls in the building including the separator, compactor, compressor and ancillary systems. This is in the early planning and budget phase, design work was scheduled to start in 2021; however, due to the COVID-19 pandemic, it is now uncertain as to when this phase will be scheduled. That said, the AVAC system is fully operational and capable of servicing all of RIOC's needs.

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

Management's Discussion and Analysis, Continued

The Lighthouse, a historical landmark located at the northern tip of the Island, needs an overhaul to restore its interior and exterior. Also, there are two wooden bridges leading to the Lighthouse that had deteriorated and needed to be replaced. Replacement of the wooden bridges commenced in April 2019 and was completed by May 2019. The renovation of the Lighthouse is to be done in two phases. Proposed designs were reviewed and approved by the State Historic Preservation Office. The project will restore the interior stairs, lighthouse tower and reconstruct the lantern to match the original Renwick profile. Designs were completed in June 2020, and an RFP for construction services was issued in March 2021. The project was awarded to the successful bidder at a cost of \$2.6 million, which will be provided through RIOC's working capital. This project is expected to be completed in Spring 2022.

The expansion of Lighthouse park design commenced in Fall 2019 and was scheduled to be completed in Summer 2020. However, due to the COVID-19 pandemic, this project is currently on hold until further notice. The total estimated cost of the project is \$15 million, which will be provided through RIOC's working capital.

The Smallpox Hospital, another historical landmark located on the southern end of the Island, was the first major U.S. hospital dedicated to the care of victims of smallpox. It is now a ruin in need of stabilization and restoration. With approval from RIOC, a stabilization study was done by the Four Freedoms Park Conservancy, operator of the Franklin D. Roosevelt Four Freedom Park, which is adjacent to the Smallpox Hospital.

The stabilization study concluded in Schematic Design drawings detailing the structural needs of the ruin and an estimated cost to complete the restoration work is being evaluated. RIOC subsequently applied and received funding in the amount of \$500,000 from New York State to complete the stabilization studies and prepare full construction documents. All survey and investigative work are complete, a final report with phasing options and estimates was required. Due to the analysis of the engineering and structural documents, the architectural firm's estimated construction cost exceeded the RIOC budgeted anticipated construction value. After further reconciliation of the budget, the project is currently on hold.

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, 680 Main Street, Roosevelt Island, New York 10044.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Net Position
March 31, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 1,419,615	3,513,428
Short-term investments	1,949,947	28,481,275
Receivables	18,823,160	18,318,000
Prepaid expenses	<u>633,857</u>	<u>482,256</u>
Total current assets	22,826,579	50,794,959
Noncurrent investments	6,723,065	7,165,943
Capital assets, net of accumulated depreciation	<u>154,172,575</u>	<u>133,012,286</u>
Total assets	<u>183,722,219</u>	<u>190,973,188</u>
Deferred outflows of resources:		
Pensions	2,823,784	2,940,606
OPEB	<u>2,554,517</u>	<u>2,502,478</u>
Total deferred outflows of resources	<u>5,378,301</u>	<u>5,443,084</u>
<u>Liabilities</u>		
Current liabilities - accounts payable and accrued expenses	2,346,781	2,892,778
Compensated absences	1,161,688	1,033,023
Unearned revenue	50,002,275	51,071,842
Total OPEB liability	14,147,419	12,352,555
Net pension liability - proportionate share - ERS	<u>11,614</u>	<u>4,021,372</u>
Commitments and contingencies (note 9)		
Total liabilities	<u>67,669,777</u>	<u>71,371,570</u>
Deferred inflows of resources:		
Pensions	3,807,718	224,136
OPEB	<u>1,735,582</u>	<u>3,254,864</u>
Total deferred inflows of resources	<u>5,543,300</u>	<u>3,479,000</u>
Net position:		
Net investment in capital assets	154,172,575	133,012,286
Restricted for capital projects	-	792,023
Unrestricted	<u>(38,285,132)</u>	<u>(12,238,607)</u>
Total net position	<u>\$ 115,887,443</u>	<u>121,565,702</u>

See accompanying notes to financial statements.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Revenue, Expenses and Changes in Net Position
Years ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Residential fees	\$ 3,555,678	1,682,789
Ground rent	16,060,409	14,636,811
Commercial rent	1,704,219	1,661,743
Tramway revenue	2,990,399	1,642,755
Public safety reimbursement	2,299,698	2,205,103
Transport/parking revenue	2,605,324	2,295,009
Interest income	704,997	998,974
Unrealized loss	-	(2,833)
Other revenue	<u>973,822</u>	<u>2,559,772</u>
Total operating revenue	<u>30,894,546</u>	<u>27,680,123</u>
Operating expenses:		
Personal services	14,440,686	14,948,984
Insurance	3,540,976	3,147,500
Professional services and legal services	2,294,301	1,600,574
Management fees	5,650,240	5,374,379
Telecommunications	216,082	221,431
Repairs and maintenance	945,063	1,420,451
Vehicles maintenance	295,004	187,553
Equipment purchases/lease	160,681	205,787
Supplies/services	1,207,506	1,053,041
Other expenses	<u>518,167</u>	<u>125,208</u>
Total operating expenses, excluding depreciation	<u>29,268,706</u>	<u>28,284,908</u>
Operating income before depreciation	1,625,840	(604,785)
Depreciation expense	<u>(7,304,099)</u>	<u>(5,933,739)</u>
Change in net position	(5,678,259)	(6,538,524)
Net position at beginning of year	<u>121,565,702</u>	<u>128,104,226</u>
Net position at end of year	<u><u>\$ 115,887,443</u></u>	<u><u>121,565,702</u></u>

See accompanying notes to financial statements.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Cash Flows
Years ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Receipts from tenants and customers	\$ 29,319,819	29,998,581
Payments related to employees	(14,596,842)	(13,782,788)
Payments to vendors	<u>(15,326,608)</u>	<u>(14,406,561)</u>
Net cash provided by (used in) operating activities	<u>(603,631)</u>	<u>1,809,232</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(28,464,388)	(26,022,266)
Sale of short-term investments	26,531,328	24,903,265
Sale (purchase) of noncurrent investments	<u>442,878</u>	<u>(81,364)</u>
Net cash used in capital and related financing activities	<u>(1,490,182)</u>	<u>(1,200,365)</u>
Net change in cash	(2,093,813)	608,867
Cash at beginning of year	<u>3,513,428</u>	<u>2,904,561</u>
Cash at end of year	<u>\$ 1,419,615</u>	<u>3,513,428</u>
Cash flows from operating activities:		
Change in net position	(5,678,259)	(6,538,524)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Depreciation	7,304,099	5,933,739
Loss on disposition of asset	-	2,833
Changes in:		
Receivables	(505,160)	(13,501,405)
Prepaid expenses	(151,601)	(262,117)
Deferred outflows of resources	64,783	(2,398,350)
Accounts payable and accrued expenses	(545,997)	(844,022)
Compensated absences	128,665	286,251
Unearned revenue	(1,069,567)	15,817,030
Total OPEB liability	1,794,864	1,436,950
Net pension liability - proportionate share - ERS	(4,009,758)	2,936,311
Deferred inflows of resources	<u>2,064,300</u>	<u>(1,059,464)</u>
Net cash provided by (used in) operating activities	<u>\$ (603,631)</u>	<u>1,809,232</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, 2022 and 2021

(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 or the Corporation) 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 (GASB) 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 additional 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, 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 GASB pronouncements and Accounting Principles Board (APB) opinions issued before November 30, 1989, unless they conflict with GASB pronouncements.

(b) Budgetary Information

During the years ended March 31, 2022 and 2021, RIOC did not request appropriations from the State of New York. Accordingly, budgetary information was not included in the notes to financial statements. However, the Board did approve an operating budget, which is included as other supplementary information.

(c) Cash and Cash Equivalents

The following is a summary of cash and cash equivalents as of March 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash - deposits	\$ <u>1,419,615</u>	<u>3,513,428</u>
Short-term investments:		
Certificates of deposit (CDARS)	243,926	243,592
Insured cash sweep (ICS)	1,388,995	22,864,727
Money market accounts	<u>317,026</u>	<u>5,372,956</u>
	<u>1,949,947</u>	<u>28,481,275</u>
Total cash and short-term investments	\$ <u>3,369,562</u>	<u>31,994,703</u>

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

The money market and cash accounts are secured by a letter of credit from Federal Home Loan Bank of Chicago and collateral securities held in escrow by JP Morgan Chase Bank, NA and managed by the National Collateral Management Group with market values totaling \$8,000,000 as of March 31, 2022 and \$20,000,000 as of March 31, 2021.

Investments managed internally consist of certificates of deposit, "CDARS", and insured cash sweep, "ICS", which are Federal Deposit Insurance Corporation (FDIC) insured programs administered by Amalgamated Bank, with purchased maturities of twelve months or less, and interest bearing cash deposit accounts. RIOC's investment guidelines limited its investments of funds primarily to obligations of the United States of America (United States Government Securities), the State of New York, high grade Corporate Securities or certificates of 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.

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Noncurrent Investments

This represents funds set aside to satisfy the obligation for postemployment benefits other than pensions under GASB Statement No. 75 and are invested in collateralized money market accounts and CDARS. The carrying amount of these investments are \$6,723,065 and \$7,165,943 at March 31, 2022 and 2021, respectively. The CDARS are fully insured by FDIC.

(e) Fair Value Measurements

Accounting principles generally accepted in the United States of America established a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable directly, or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to overall fair value measurement.

RIOC holds financial instruments with quoted prices in active markets for identical assets (level 1) of \$8,673,012 and \$35,647,218 at March 31, 2022 and 2021, respectively.

(f) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported on the statements of net position 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 assets 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:

Seawall (improvement of 1995)	73
Buildings	40
Building improvements	15
Infrastructure	50
Vehicles	10
Office equipment	5
Computer equipment	5
Leasehold improvements	15

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) Compensated Absences

It is RIOC's policy to accrue for unused absences for all full time employees. Accrued compensatory time as of March 31, 2022 and 2021 were \$1,161,688 and \$1,033,023, respectively.

(h) Unearned Revenue

Unearned revenue reported in the statements of net position represent 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 forty-seven years on the ground lease for the City of New York (the City) expiring in 2068 under the accrual basis of accounting. A breakdown of unearned revenue is detailed as follows:

<u>Buildings</u>	Balance at April 1, <u>2021</u>	<u>Additions</u>	<u>Amortization</u>	Balance at March 31, <u>2022</u>
Octagon	\$ 2,261,170	-	(47,354)	2,213,816
Southtown Bldg #1	1,520,142	-	(31,833)	1,488,309
Southtown Bldg #2	1,450,550	-	(30,379)	1,420,171
Southtown Bldg #3	3,099,950	-	(64,920)	3,035,030
Southtown Bldg #4	4,041,641	-	(84,642)	3,956,999
Southtown Bldg #5	5,161,133	-	(108,087)	5,053,046
Southtown Bldg #6	7,944,007	-	(166,367)	7,777,640
Southtown Bldg #7	9,053,042	-	(189,593)	8,863,449
Southtown Bldg #8	<u>16,540,207</u>	<u>-</u>	<u>(346,392)</u>	<u>16,193,815</u>
Total	\$ <u>51,071,842</u>	<u>-</u>	<u>(1,069,567)</u>	<u>50,002,275</u>

(i) Public Purpose Grants

Included in "Other expenses" are expenditures for public purpose grants of \$150,000 for the year ended March 31, 2021. The grants were awarded to various Island-based not-for-profits upon evaluation of their applications and Board approval.

(j) Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(k) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Pensions and OPEB have deferred outflows of resources. For pensions, the Corporation has two items that qualify for reporting in this category. The first item represents changes in the Corporation's proportion of the collective net pension liability New York State and Local Employees' Retirement System (ERS) and includes differences between expected and actual experience with regard to economic and demographic factors and the net difference between projected and actual investment earnings on pension plan investments. The second item is the Corporation contributions to the pension system (ERS) subsequent to the measurement date. For OPEB, the Corporation has two items that qualify for reporting in this category; the first represents the change of assumptions or other inputs, and the second represents estimated net contributions subsequent to the measurement date.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Pensions and OPEB have deferred inflows of resources. For pensions, the Corporation has one item that qualifies for reporting in this category and represents changes in the Corporation's proportion of the collective net pension liability (ERS) and difference during the measurement periods between the Corporation's contributions and its proportion share of total contributions to the pension system not included in pension expense. For OPEB, the Corporation has two items that qualify for reporting in this category; the first represents the difference between actual and expected experience, and the second represents the changes of assumptions or other inputs.

(l) Accounting and Financial Reporting for Pensions

The Corporation previously adopted the provisions of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment to GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transitions for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement No. 68." These Statements require the Corporation to report as an asset and/or liability its portion of the collective pension asset and/or liability in the New York State and Local Employees' Retirement System. These Statements also require the Corporation to report deferred outflows and/or inflows of resources for the effect of the net change in the Corporation's proportion of the collective net pension asset and/or liability and difference during the measurement period between the Corporation's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as deferred outflows of resources are the Corporation contributions to the pension system subsequent to the March 31, 2021 measurement date. See notes 7(b-h).

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

Notes to Financial Statements, Continued

(3) Capital Assets

Capital assets for the year ended March 31, 2022 are summarized as follows:

	Balance at April 1, <u>2021</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2022</u>
Capital assets:				
Seawall	\$ 14,953,859	160,866	-	15,114,725
Building and building improvements	88,048,085	16,023,893	-	104,071,978
Landmarks	18,479,632	1,692,615	-	20,172,247
Vehicles	4,607,054	-	-	4,607,054
Equipment	4,590,659	271,234	-	4,861,893
Infrastructure	81,057,636	10,315,780	-	91,373,416
Leasehold improvement	<u>448,303</u>	<u>-</u>	<u>-</u>	<u>448,303</u>
Total capital assets	<u>212,185,228</u>	<u>28,464,388</u>	<u>-</u>	<u>240,649,616</u>
Less accumulated depreciation:				
Seawall	(1,680,424)	(206,238)	-	(1,886,662)
Building and building improvements	(43,130,218)	(4,345,245)	-	(47,475,463)
Landmarks	(9,463,679)	(328,335)	-	(9,792,014)
Vehicles	(3,272,105)	(210,765)	-	(3,482,870)
Equipment	(3,443,470)	(483,182)	-	(3,926,652)
Infrastructure	(18,073,153)	(1,700,447)	-	(19,773,600)
Leasehold improvement	<u>(109,893)</u>	<u>(29,887)</u>	<u>-</u>	<u>(139,780)</u>
Total accumulated depreciation	<u>(79,172,942)</u>	<u>(7,304,099)</u>	<u>-</u>	<u>(86,477,041)</u>
Net capital assets	\$ <u>133,012,286</u>	<u>21,160,289</u>	<u>-</u>	<u>154,172,575</u>

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

Notes to Financial Statements, Continued

(3) Capital Assets, Continued

Capital assets for the year ended March 31, 2021 are summarized as follows:

	Balance at April 1, <u>2020</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2021</u>
Capital assets:				
Seawall	\$ 14,685,116	268,743	-	14,953,859
Building and building improvements	71,744,400	16,303,685	-	88,048,085
Landmarks	18,238,291	241,341	-	18,479,632
Vehicles	4,565,298	61,755	(19,999)	4,607,054
Equipment	4,403,043	187,616	-	4,590,659
Infrastructure	72,098,510	8,959,126	-	81,057,636
Leasehold improvement	<u>448,303</u>	<u>-</u>	<u>-</u>	<u>448,303</u>
Total capital assets	<u>186,182,961</u>	<u>26,022,266</u>	<u>(19,999)</u>	<u>212,185,228</u>
Less accumulated depreciation:				
Seawall	(1,478,173)	(202,251)	-	(1,680,424)
Building and building improvements	(39,918,085)	(3,212,133)	-	(43,130,218)
Landmarks	(9,157,411)	(306,268)	-	(9,463,679)
Vehicles	(3,070,831)	(218,440)	17,166	(3,272,105)
Equipment	(2,977,428)	(466,042)	-	(3,443,470)
Infrastructure	(16,574,435)	(1,498,718)	-	(18,073,153)
Leasehold improvement	<u>(80,006)</u>	<u>(29,887)</u>	<u>-</u>	<u>(109,893)</u>
Total accumulated depreciation	<u>(73,256,369)</u>	<u>(5,933,739)</u>	<u>17,166</u>	<u>(79,172,942)</u>
Net capital assets	\$ <u>112,926,592</u>	<u>20,088,527</u>	<u>(2,833)</u>	<u>133,012,286</u>

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

Operating revenues in the accompanying statements of revenues, expenses and changes in net position consist of income derived from the following sources:

(a) Residential Fees

The net present value (NPV) fee for Octagon and Southtown buildings #1, 2, 3, 4, 5, 6, and 7 were collected in advance and recognized over the term of the lease. The NPV fee for Southtown building #8 was earned in advance in fiscal year 2021 but yet to be collected and is recognized over the term of the lease - see above section 2(g) unearned revenue. Tax equivalent payments (TEP) are collected and recognized from Southtown buildings #5, 6, 7, and 8 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
(A Component Unit of the State of New York)

Notes to Financial Statements, 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 the City of New York, the owner of Roosevelt Island. Ground rents account for nearly 52% 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, 6, 7 and 8; Island House; Rivercross; and Octagon.

Manhattan Park - Under the terms of the ground sublease between RIOC and Roosevelt Island Associates dated August 4, 1986 and 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 \$4,100,000 for the years ended March 31, 2022 and 2021.

In addition to the ground rent mentioned above, RIOC received a percentage payment, which is based on a tiered percentage formula of Manhattan Park's gross income. As of January 1, 2012 and continuing through December 31, 2026, the percentage payment will increase by the excess of the applicable percentages of gross income over the sum of the prior year's fixed ground rent of \$4,100,000 and percentage rent of \$2,040,649. For the years ended March 31, 2022 and 2021, the percentage rent earned was \$2,040,649.

Cornell - The Master Lease between RIOC and the City dated December 23, 1969 was amended on December 19, 2013 ("Effective Date") to exclude an additional 2.62 acres ("Parcel") surrounding the Goldwater Site so that it could be incorporated into the 9.8 acres being used for Cornell. As part of the surrender of the Parcel back to the City, the State made a commitment to fund an amount equivalent to \$1,000,000 annually for 55 years (escalating 2.5% every 10 years) with payment fully made by December 31, 2018 to support capital infrastructure improvements on Roosevelt Island as determined in accordance with state budgetary procedure. RIOC received the full payment in the amount of \$25,028,000 in December 2018. Commencing on the Effective Date, Cornell pays RIOC \$400,000 annually for 55 years, (increasing by 2% every 10 years) for the Parcel that it received.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

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

(b) Ground Rent, Continued

Putnam Harlem JV LP (formerly BSREP) - Pursuant to an Amended and Restated Lease between RIOC and North Town Roosevelt, LLC (North Town) dated September 21, 2006 (the "Eastwood Lease"), the base ground rent increased to \$1 million per year effective October 1, 2006, plus a percentage increase in accordance with annual rent rolls increases. Ground rents earned totaled \$1,894,520 and \$1,802,598 for the years ended March 31, 2022 and 2021, respectively.

Northtown Phase II Houses, Inc. (Island House) - The ground sublease between RIOC and North Town Phase II Houses, Inc., dated October 30, 1972, was amended with the base rent increasing from \$136,000 to \$236,000 per year effective January 1, 2013 - increasing by 10% on each 5th anniversary for 30 years.

Northtown Phase IV Houses, Inc. (Rivercross) - Pursuant to the Second Amendment of the Restated Lease between RIOC and Rivercross dated May 30, 2018 ("Effective Date"), the ground rent was reset to \$2,500,000 ("Re-Set Ground Rent") per year effective as of March 27, 2014. As of April 1, 2022, and on each fifth anniversary of that date thereafter, the Re-Set Ground Rent will increase by 10%. On the Effective Date, a settlement in the amount of \$10,287,489 ("Settlement Amount") was made for the underpayment of ground rent during the period from the Withdrawal Date to the Effective Date. \$5,273,791 of the Settlement Amount was paid on the Effective Date and the remaining \$5,013,698 will be paid in fifteen (15) equal annual installments of principal, together with interest thereon from the Effective Date at the rate of four percent (4%) per annum, commencing on the first anniversary of the Effective Date, and on each anniversary of such date in subsequent years. On December 11, 2020, the balance in the amount of \$4,467,452 was paid in full.

Ground rents for Southtown Buildings #1, 2, 3 and 4 and for a portion of Buildings #5, 6, 7 and 8, as well as the Octagon were paid in advance and are reflected under note 2 paragraph (g) Unearned revenue. Ground rents earned for Building #1-8 totaled \$4,242,259 and \$3,221,929 for the years ended March 31, 2022 and 2021, respectively.

(c) Commercial Rent

On August 1, 2011, RIOC entered into a Master Sublease Agreement with Hudson Related Retail LLC (HRR) to redevelop, improve, market, lease and professionally operate the Commercial Retail Spaces controlled by RIOC. HRR will pay RIOC an annual guaranteed rent of \$900,000 - escalating by 2% annually for the first five years and 2.5% annually thereafter, plus participation in the profits of HRR. According to the agreement, RIOC will share future profits evenly once HRR is paid back its investment. According to its unaudited financial statements as of December 31, 2021, HRR invested \$3,650,845 and reported a loss of \$223,724.

ROOSEVELT ISLAND OPERATING CORPORATION

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Notes to Financial Statements, Continued

(4) Operating Revenues, Basic Rent and Housing Company Reimbursement, Continued(c) Commercial Rent, Continued

In addition, RIOC entered into a license with HCK Recreation, Inc. (HCK) on November 16, 1989 for the operation of a tennis facility, which was amended three times with the latest amendment requiring HCK to pay the greater of \$275,000 per annum or 10% of annual gross receipts. Furthermore, on January 15, 2002, RIOC entered into an agreement with The Child School (School) to develop and operate the School. The agreement requires the School to pay \$275,000 per annum with an escalation in an amount equal to the percentage increase in the State's Education Department tuition reimbursement received by the School.

(d) Tramway Revenue

During February 2004, RIOC entered into an agreement with The New York City Transit Authority (NYCTA) for revenue collection from the Tramway. In the agreement, RIOC receives from the NYCTA a fare of \$2.00 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 ridership. There is a franchise fee expense associated with this agreement that is half of one percent of gross sales. Tramway revenues were \$2,990,399 and \$1,642,755 for the years ended March 31, 2022 and 2021, respectively. Tramway costs were \$4,935,339 and \$4,884,780 for the years ended March 31, 2022 and 2021, respectively.

(e) Public Safety Reimbursement

The intent of the initial agreements with the four original Mitchell-Lama housing projects (the "WIRE Projects") was for RIOC to recoup approximately 50% of the cost of maintaining a public safety department on the Island. Accordingly, no less than 50% of such costs have been reimbursed by the WIRE Projects and are included in public safety reimbursement on the accompanying statements of revenue, expenses and changes in net position. Additionally, Manhattan Park, Southtown and the Octagon projects are responsible for their respective share of the cost of RIOC's Public Safety Department (PSD). Public safety reimbursements were \$2,299,698 and \$2,205,103 for the years ended March 31, 2022 and 2021, respectively. PSD costs were \$4,941,857 and \$4,740,587, for the years ended March 31, 2022 and 2021, respectively.

(f) Transportation and Parking Fees

The Motorgate Garage, the Roosevelt Island parking facility, is managed by SP Plus (SP) under an agreement which expired but parties are continuing to adhere to its terms. This agreement is cancelable by RIOC on 30-day notice and by SP on 180-day notice. SP 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.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

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

(f) Transportation and Parking Fees, Continued

RIOC's share of Motorgate revenues totaled \$2,074,878 and \$1,931,391 for the years ended March 31, 2022 and 2021, respectively. Parking costs were \$1,066,291 and \$922,764, for the years ended March 31, 2022 and 2021, respectively. Transportation revenues from the provision of bus services totaled \$133,048 and \$130,439 for the years ended March 31, 2022 and 2021, respectively. The cost of running the bus service totaled \$1,638,408 and \$1,571,434 for the same respective periods. Additionally, revenues from street parking meters for these periods totaled \$397,398 and \$233,179, 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.

(h) De-designation Fee Income

The Development Agreement for Southtown buildings (Buildings) seven (7) through nine (9) between Hudson Related Joint Venture (Developer) and RIOC included a contingent de-designation (cancellation of project or portion of) fee of \$1,958,400. The Development Agreement is collateralized by a Guaranty Letter of Credit issued by Deutsche Bank Trust Company, NA in the amount of \$1,958,000 maturing on August 15, 2022, to be renewed annually. The Building 8 Lease was closed on December 26, 2018 and construction was substantially completed on July 19, 2020. The Building 9 Lease closing shall occur no later than 30 months after the Building 8 Lease Closing. Should development fail to occur within the expected timeframe, RIOC is protected by a Letter of Credit in the amount of \$1,958,400. Unfortunately, due to the outbreak of the COVID-19 pandemic that hit the City in and around February 2020, negotiations for the ground lease were suspended. The thirty (30) month period for the Building 9 Lease closing was extended six (6) months to December 26, 2021 and a second extension is currently being negotiated.

(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:

<u>Years ending</u> <u>March 31</u>	<u>Housing</u> <u>Companies</u>	<u>Commercial</u> <u>Leases</u>
2023	\$ 17,791,021	1,725,704
2024	18,509,600	1,754,772
2025	19,005,222	1,754,518
2026	19,783,369	1,827,457
2027	<u>20,812,599</u>	<u>1,896,106</u>
Total	\$ <u>95,901,811</u>	<u>8,958,557</u>

ROOSEVELT ISLAND OPERATING CORPORATION

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Notes to Financial Statements, Continued

(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. On March 1, 2017, RIOC negotiated a 5-year fixed fee operating agreement at an annual cost of \$4,100,000 with an annual increase of 3% per year.

RIOC also has a parking management agreement with SP for the management of Motorgate Garage. This agreement is cancelable by RIOC on 30-day notice and by SP on 180-day notice. RIOC pays an annual management fee of \$40,000 and the maintenance and operating costs in connection with the management of the garage.

(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) Union Employees

Union employees participate in separate defined contribution plans, which are administered by each union. RIOC contributed \$274,298 and \$249,511 for the years ended March 31, 2022 and 2021, respectively, to union employees' defined contribution plans.

(b) Non-Union Employees

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 System, 110 State Street, Albany, New York 12244.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(b) Non-Union Employees, Continued

Funding Policy

ERS is contributory (3%) except for employees who joined the System before July 27, 1976.

Employees who joined ERS 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. Employees hired after January 1, 2011 shall contribute 3% of salary for the duration of employment. For Tier 6 employees, beginning April 1, 2013, contributions are as follows: Up to \$45K = 3%; \$45,001 to \$55K = 3.5%; \$55,001 to \$75K = 4.5%; \$75,001 to \$100K = 5.75%; Greater than \$100K = 6% for the entire duration of State 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.

ERS eligibility requirements are as follows:

Tier 1 (Member before July 1, 1973):

- a. For reduced pension benefits: Age 55 with 5 years of service.
- b. For full pension benefits: Age 55 with 20 years of service.

Tiers 2, 3, and 4 (Became a member after July 1, 1973):

- a. For reduced pension benefits: Age 55 with 5 years of service.
- b. For full pension benefits: age 62 with 20 years of service.

Tier 5 (Became a member on or after January 1, 2010):

- a. For reduced pension benefits: Age 55 with 10 years of service.
- b. For full pension benefits: Age 62 with 10 years of service.

Tier 6 (Became a member on or after April 1, 2012):

- a. For reduced pension benefits: Age 55 with 10 years of service.
- b. For full pension benefits: Age 63 with 10 years of service.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2022 and 2021, the Corporation reported the following liability for its proportionate share of the net pension liability for ERS which were measured as of March 31, 2021 and 2020, respectively. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Corporation's proportionate share of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Corporation.

Measurement date	<u>3/31/2021</u>	<u>3/31/2020</u>
Net pension liability	\$ 11,614	4,021,372
Corporation's proportion of the Plan's net pension liability	0.0116641%	0.0151861%
Change in proportion from prior year	(0.0035220)	(0.0001281)

For the years ended March 31, 2022 and 2021, the Corporation recognized pension expense of \$176,543 and \$1,350,628, respectively, for ERS. At March 31, 2022 and 2021 the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2022</u>		<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 141,843	-	236,674	-
Changes of assumptions	2,135,495	40,276	80,971	69,917
Net difference between projected and actual investment earnings on pension plan investments	-	3,336,342	2,061,551	-
Changes in proportion and differences between the employer contributions and proportionate share of contributions	60,549	431,100	100,395	154,219
Corporation's contributions subsequent to the measurement date	<u>485,897</u>	<u>-</u>	<u>461,015</u>	<u>-</u>
Total	\$ <u>2,823,784</u>	<u>3,807,718</u>	<u>2,940,606</u>	<u>224,136</u>

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Corporation contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>ERS</u>
2023	\$ (294,822)
2024	(167,004)
2025	(282,118)
2026	<u>(725,887)</u>
	<u>\$(1,469,831)</u>

(d) Actuarial Assumptions

The total pension liability as of the March 31, 2021 measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Investment rate of return, (net of investment expense, including inflation)	5.9%
Salary increases	4.4%
Inflation	2.7%
Cost-of-living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2019 used the Society of Actuaries' Scale MP-2018, inflation of 2.5%, cost-of-living adjustments of 1.3%, salary increases of 4.2% and investment rate of return of 6.8%.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(d) Actuarial Assumptions, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

Measurement date	March 31, 2021	
	<u>Target Allocation</u>	<u>Long-term expected real rate of return*</u>
Asset type:		
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/ARS portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	<u>1.00%</u>	0.50%
	<u>100.00%</u>	

* The real rate of return is net of the long-term inflation assumption of 2.00%

(e) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the current-period net pension liability of participating employers calculated using the current-period discount rate assumption of 5.9%, as well as what the collective net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate (in thousands):

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Corporation's proportionate share of the net pension liability	\$ 3,223,711	11,614	(2,950,690)

(g) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
Valuation date	<u>3/31/2021</u>	<u>3/31/20</u>
Employers' total pension liability	\$(220,680)	(194,596)
Fiduciary net position	<u>220,580</u>	<u>168,116</u>
Employers' net pension liability	\$ <u>(100)</u>	<u>(26,480)</u>
Ratio of fiduciary net position to the Employers' total pension liability	99.9%	86.4%

(h) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of March 31, 2022 and 2021 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022 and April 1, 2020 through March 31, 2021, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(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. Coverages for the forthcoming fiscal year ended March 31, 2022 were appropriately increased to provide adequate protection for RIOC as follows:

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Notes to Financial Statements, Continued

(8) Risk Management, Continued

<u>Coverages</u>	<u>2021-2022 Coverage Amount</u>
General liability - RIOC and Tram	\$100 million limit
Property	\$250 million limit
Boiler and machinery	\$100 million limit
Automobile	\$2 million limit
Public officials liability	\$5 million limit

(9) Commitments and Contingencies

Commitments and contingencies at March 31, 2022 and 2021 are detailed as follows:

(a) Revenue Allocation Agreement - between New York State Urban Development Corporation (UDC), now known as the Empire State Development (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 its 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 %. In addition, there are other State Operating Subsidies and State Capital Investments that were received and may have to be repaid under the terms of the Revenue Allocation Agreement. The agreement calls for revenues to be allocated in the following manner; (1) RIOC Operating Expenditures, (2) Satisfaction of UDC's Accrued Operating Deficit, (3) Satisfaction of UDC's Public Facilities Debt, (4) Satisfaction of other State Operating Subsidies, and (5) Satisfaction of other State Capital Investments. To date, no revenues have been allocated for the satisfaction of ESD debt other than Tax Equivalency Payments for Roosevelt Island's original affordable "Mitchell-Lama" buildings. ESD has acknowledged that there are significant projected future capital investments to be made by RIOC.

(b) Leases

RIOC has agreements with four (4) housing companies, namely Westview, Eastwood, Island House, and Rivercross, operating on the Island to sublease commercial space occupied by the housing companies. Rent expense for the years ended March 31, 2022 and 2021 was approximately \$564,588 and \$675,844, respectively.

(c) Litigation

RIOC is a defendant in various lawsuits. In the opinion of RIOC's legal counsel, these suits should not result in judgments which in the aggregate would have a material adverse effect on RIOC's financial statements.

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

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions

Plan Description - The Corporation provides continuation of medical coverage to administrative, non-represented employees (those categorized as Management/Confidential (“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 ERS, 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, 2022 and 2021 amounted to \$460,981 and \$257,476, respectively. At March 31, 2022 and 2021, the liability for active and retired employees amounted to \$14,147,419 and \$12,352,555, respectively. There are no assets accumulated in a trust that meet the criteria of GASB Statement No. 75, paragraph 4.

The number of participants as of March 31, 2022 was as follows:

Active employees	37
Retired employees	17
Spouses of retired employees	<u>8</u>
Total	<u>62</u>

Total OPEB Liability

The Corporation’s total OPEB liability of \$14,147,419 was measured as of December 31, 2021 and was determined by an actuarial valuation as of March 31, 2021. The methodology used to measure the total OPEB liability as of March 31, 2022 reflects current census, contracted benefit and rate information.

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

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions, Continued

Actuarial Assumptions and Other Inputs

The total OPEB liability as of December 31, 2021 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary scale	3.44%
Discount rate	1.84%
Healthcare cost trend rates	6.10% for 2022

Changes in the Total OPEB Liability

	<u>2022</u>	<u>2021</u>
Total OPEB liability at beginning of year	\$ <u>12,352,555</u>	<u>10,915,605</u>
Changes for the year:		
Service cost	592,927	558,834
Interest on total OPEB liability	252,874	309,234
Differences between actual and expected experience	898,212	(711,980)
Changes in assumptions or other inputs	352,657	1,510,443
Benefit payments	<u>(301,806)</u>	<u>(229,581)</u>
Total changes	<u>1,794,864</u>	<u>1,436,950</u>
Total OPEB liability at end of year	\$ <u>14,147,419</u>	<u>12,352,555</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Corporation, as well as what the Corporation's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current discount rate:

	1% Decrease (0.84%)	Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB liability	\$ <u>17,251,513</u>	<u>14,147,419</u>	<u>11,773,231</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2022.

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

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions, Continued

Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

The following presents the total OPEB liability of the Corporation, as well as what the Corporation's total OPEB liability would be if it were calculated using a rate that is 1-percentage point lower (5.10% to 3.37%) or 1-percentage point higher (7.10% to 5.37%) than the current health care cost trend rate:

	1% Decrease (5.10% to 3.37%)	Trend Rate (6.10% to 4.37%)	1% Increase (7.10% to 5.37%)
Total OPEB liability	\$ <u>11,472,262</u>	<u>14,147,419</u>	<u>17,728,203</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2022.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At March 31, 2022 and 2021 the Corporation reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>2022</u>		<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between actual and expected experience	\$ 679,136	1,647,205	-	2,945,545
Changes of assumptions or other inputs	1,800,759	88,377	2,445,713	309,319
Contributions subsequent to the measurement date	<u>74,622</u>	<u>-</u>	<u>56,765</u>	<u>-</u>
	\$ <u>2,554,517</u>	<u>1,735,582</u>	<u>2,502,478</u>	<u>3,254,864</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2023. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending

2023	\$ 5,185
2024	384,054
2025	324,565
2026	<u>30,509</u>
	\$ <u>744,313</u>

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(11) Pollution Remediation Obligations

In accordance with the GASB Statement No. 49 - "Accounting and Financial Reporting 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) Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued.

(13) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on RIOC and its future results and financial position is not presently determinable.

(14) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required.

The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 30, 2023.

ROOSEVELT ISLAND OPERATING CORPORATION
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Required Supplementary Information
Schedule of Changes in Corporation's
Total OPEB Liability and Related Ratios
Year ended March 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability:				
Service cost	\$ 592,927	558,834	722,931	823,753
Interest on total OPEB liability	252,874	309,234	436,683	432,928
Differences between actual and expected experience	898,212	(711,980)	(3,663,694)	(1,284,925)
Changes in assumptions or other inputs	352,657	1,510,443	2,390,063	(972,145)
Benefit payments	<u>(301,806)</u>	<u>(229,581)</u>	<u>(225,642)</u>	<u>(207,025)</u>
Net change in total OPEB liability	1,794,864	1,436,950	(339,659)	(1,207,414)
Total OPEB liability - beginning	<u>12,352,555</u>	<u>10,915,605</u>	<u>11,255,264</u>	<u>12,462,678</u>
Total OPEB liability - ending	<u>\$ 14,147,419</u>	<u>12,352,555</u>	<u>10,915,605</u>	<u>11,255,264</u>
Covered payroll	\$ 3,869,882	3,741,185	4,398,752	4,398,752
Total OPEB liability as a percentage of covered payroll	365.6%	330.2%	248.6%	255.9%

Notes to schedule:

There are no assets accumulated in a trust that meet the criteria of GASB Statement No. 75, paragraph 4.

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
1.84%	2.00%	2.75%	3.71%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Corporation is presenting information for those years for which information is available.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Required Supplementary Information
Schedule of Corporation's Proportionate Share of the Net Pension Liability
Year ended March 31, 2022

	NYSERS Pension Plan						
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Corporation's proportion of the net pension liability	0.0116641%	0.0151861%	0.0153142%	0.0129755%	0.0121085%	0.0115185%	0.0115841%
Corporation's proportionate share of the net pension liability	\$ 11,614	4,021,372	1,085,061	418,777	1,137,738	1,848,752	391,340
Corporation's covered payroll	\$ 3,628,079	3,814,468	4,297,080	3,887,580	3,494,884	3,291,106	2,734,022
Corporation's proportionate share of the net pension liability as a percentage of its covered payroll	0.32%	105.42%	25.25%	10.77%	32.55%	56.17%	14.31%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.5%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Corporation is presenting information for those years for which information is available.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Required Supplementary Information
Schedule of Corporation's Pension Contributions
Year ended March 31, 2022

	NYSERS Pension Plan									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 485,897	461,015	519,417	489,985	459,071	465,927	480,350	516,769	540,970	583,380
Contributions in relation to the contractually required contribution	<u>485,897</u>	<u>461,015</u>	<u>519,417</u>	<u>489,985</u>	<u>459,071</u>	<u>465,927</u>	<u>480,350</u>	<u>516,769</u>	<u>540,970</u>	<u>583,380</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Corporation's covered payroll	\$ 3,628,079	3,814,468	4,297,080	3,887,580	3,494,884	3,291,106	2,734,022	2,665,135	2,662,409	2,906,547
Contributions as a percentage of covered payroll	13.39%	12.09%	12.09%	12.60%	13.14%	14.16%	17.57%	19.39%	20.32%	20.07%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Schedule of Operations by Department
Year ended March 31, 2022

	General Fund						Total General Fund	Public Purpose Fund	Capital Fund	Reserved Fund	Total
	Operations	Public Safety	Transportation	Parking	Parks/Rec.	Tram					
Revenue:											
Residential fees	\$ 816,699	-	-	-	-	-	816,699	-	2,221,162	517,817	3,555,678
Ground rent	15,660,409	-	-	-	-	-	15,660,409	-	400,000	-	16,060,409
Commercial rent	1,704,219	-	-	-	-	-	1,704,219	-	-	-	1,704,219
Tramway revenue	-	-	-	-	-	2,990,399	2,990,399	-	-	-	2,990,399
Public safety reimbursement	-	2,299,698	-	-	-	-	2,299,698	-	-	-	2,299,698
Transportation/parking revenue	-	-	133,048	2,472,276	-	-	2,605,324	-	-	-	2,605,324
Interest income	672,286	-	-	-	-	-	672,286	-	263	32,448	704,997
Other revenue	619,297	-	-	-	218,683	-	837,980	-	135,842	-	973,822
Total revenue	19,472,910	2,299,698	133,048	2,472,276	218,683	2,990,399	27,587,014	-	2,757,267	550,265	30,894,546
Expenses:											
Personal services:											
Salaries	4,937,440	3,451,942	1,016,194	-	546,408	-	9,951,984	-	-	-	9,951,984
Temporary employees	131,253	-	-	-	9,745	-	140,998	-	-	-	140,998
Employee benefits	2,347,243	1,363,425	346,197	-	162,173	-	4,219,038	-	-	-	4,219,038
Compensated absences	128,666	-	-	-	-	-	128,666	-	-	-	128,666
Total personal services	7,544,602	4,815,367	1,362,391	-	718,326	-	14,440,686	-	-	-	14,440,686
Other than personal services:											
Insurance	3,454,681	-	-	-	-	86,295	3,540,976	-	-	-	3,540,976
Professional services	1,600,242	6,180	-	-	211,760	-	1,818,182	-	-	-	1,818,182
Management fees	-	-	-	1,005,730	-	4,644,510	5,650,240	-	-	-	5,650,240
Legal services	476,119	-	-	-	-	-	476,119	-	-	-	476,119
Telecommunications	216,082	-	-	-	-	-	216,082	-	-	-	216,082
Island improvements/capital plan	564,588	-	-	-	-	-	564,588	-	-	-	564,588
Repairs and maintenance	353,139	3,510	14,696	1,350	-	7,780	380,475	-	-	-	380,475
Vehicles maintenance	59,128	22,077	213,424	-	375	-	295,004	-	-	-	295,004
Equipment purchases/lease	158,598	(115)	2,198	-	-	-	160,681	-	-	-	160,681
Supplies/services	721,492	84,167	45,485	59,212	100,396	196,754	1,207,506	-	-	-	1,207,506
Other expenses	144,026	10,672	213	-	213,141	-	368,052	150,015	-	100	518,167
Total other than personal services	7,748,095	126,491	276,016	1,066,292	525,672	4,935,339	14,677,905	150,015	-	100	14,828,020
Total operating expenses, excluding depreciation	15,292,697	4,941,858	1,638,407	1,066,292	1,243,998	4,935,339	29,118,591	150,015	-	100	29,268,706
Operating income (loss) before depreciation	4,180,213	(2,642,160)	(1,505,359)	1,405,984	(1,025,315)	(1,944,940)	(1,531,577)	(150,015)	2,757,267	550,165	1,625,840
Depreciation expense	-	-	-	-	-	-	-	-	(7,304,099)	-	(7,304,099)
Change in net position	\$ 4,180,213	(2,642,160)	(1,505,359)	1,405,984	(1,025,315)	(1,944,940)	(1,531,577)	(150,015)	(4,546,832)	550,165	(5,678,259)

ROOSEVELT ISLAND OPERATING CORPORATION
 (A Component Unit of the State of New York)
 Other Supplementary Information
 Schedule of Operations by Department
 Year ended March 31, 2021

	General Fund						Total General Fund	Public Purpose Fund	Capital Fund	Reserved Fund	Total
	Operations	Public Safety	Transportation	Parking	Parks/Rec.	Tram					
Revenue:											
Residential fees	\$ 815,833	-	-	-	-	-	815,833	-	400,232	466,724	1,682,789
Ground rent	14,236,811	-	-	-	-	-	14,236,811	-	400,000	-	14,636,811
Commercial rent	1,661,743	-	-	-	-	-	1,661,743	-	-	-	1,661,743
Tramway revenue	-	-	-	-	-	1,642,755	1,642,755	-	-	-	1,642,755
Public safety reimbursement	-	2,205,103	-	-	-	-	2,205,103	-	-	-	2,205,103
Transportation/parking revenue	-	-	130,439	2,164,570	-	-	2,295,009	-	-	-	2,295,009
Interest income	636,190	-	-	-	-	-	636,190	-	1,053	361,731	998,974
Unrealized loss	-	-	-	-	-	-	-	-	(2,833)	-	(2,833)
Other revenue	1,778,718	-	-	-	63,538	-	1,842,256	-	717,516	-	2,559,772
Total revenue	19,129,295	2,205,103	130,439	2,164,570	63,538	1,642,755	25,335,700	-	1,515,968	828,455	27,680,123
Expenses:											
Personal services:											
Salaries	4,817,107	3,191,183	1,010,667	-	597,934	-	9,616,891	-	-	-	9,616,891
Temporary employees	68,679	-	-	-	-	-	68,679	-	-	-	68,679
Employee benefits	2,833,927	1,415,798	389,948	-	337,490	-	4,977,163	-	-	-	4,977,163
Compensated absences	286,251	-	-	-	-	-	286,251	-	-	-	286,251
Total personal services	8,005,964	4,606,981	1,400,615	-	935,424	-	14,948,984	-	-	-	14,948,984
Other than personal services:											
Insurance	2,940,441	-	-	-	-	207,059	3,147,500	-	-	-	3,147,500
Professional services	1,384,006	-	-	-	49,095	-	1,433,101	-	-	-	1,433,101
Management fees	-	-	-	873,062	-	4,501,317	5,374,379	-	-	-	5,374,379
Legal services	167,473	-	-	-	-	-	167,473	-	-	-	167,473
Telecommunications	221,431	-	-	-	-	-	221,431	-	-	-	221,431
Island improvements/capital plan	675,844	-	-	-	-	-	675,844	-	-	-	675,844
Repairs and maintenance	709,708	15,398	12,904	2,955	1,417	2,225	744,607	-	-	-	744,607
Vehicles maintenance	43,461	30,901	112,973	-	218	-	187,553	-	-	-	187,553
Equipment purchases/lease	203,992	552	1,243	-	-	-	205,787	-	-	-	205,787
Supplies/services	552,080	78,030	41,329	46,747	160,676	174,179	1,053,041	-	-	-	1,053,041
Other expenses	106,369	8,725	2,370	-	7,744	-	125,208	-	-	-	125,208
Total other than personal services	7,004,805	133,606	170,819	922,764	219,150	4,884,780	13,335,924	-	-	-	13,335,924
Total operating expenses, excluding depreciation	15,010,769	4,740,587	1,571,434	922,764	1,154,574	4,884,780	28,284,908	-	-	-	28,284,908
Operating income (loss) before depreciation	4,118,526	(2,535,484)	(1,440,995)	1,241,806	(1,091,036)	(3,242,025)	(2,949,208)	-	1,515,968	828,455	(604,785)
Depreciation expense	-	-	-	-	-	-	-	-	(5,933,739)	-	(5,933,739)
Change in net position	\$ 4,118,526	(2,535,484)	(1,440,995)	1,241,806	(1,091,036)	(3,242,025)	(2,949,208)	-	(4,417,771)	828,455	(6,538,524)

ROOSEVELT ISLAND OPERATING CORPORATION
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Other Supplementary Information
Budget Variance Report
Year ended March 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>	
			<u>Variance</u>	<u>Percent</u>
Revenue:				
Residential fees	\$ 3,555,678	1,816,000	1,739,678	96%
Ground rent	16,060,409	15,243,000	817,409	5%
Commercial rent	1,704,219	1,701,000	3,219	1%
Tramway revenue	2,990,399	6,356,000	(3,365,601)	(53%)
Public safety reimbursement	2,299,698	2,279,000	20,698	1%
Transport/parking revenue	2,605,324	3,232,000	(626,676)	(19%)
Interest income	704,997	797,000	(92,003)	(12%)
Other revenue	<u>973,822</u>	<u>1,385,000</u>	<u>(411,178)</u>	<u>(30%)</u>
Total revenue	<u>30,894,546</u>	<u>32,809,000</u>	<u>(1,914,454)</u>	<u>(6%)</u>
Expenses:				
Personal services (PS) :				
Salaries	9,409,095	9,718,788	309,693	3%
Salaries OT	542,889	196,560	(346,329)	(176%)
Temporary employees	140,998	162,000	21,002	13%
Workers compensation and disability	281,888	159,000	(122,888)	(77%)
ER payroll taxes	828,444	833,530	5,086	1%
Health insurance	2,053,230	2,361,868	308,638	13%
Dental/vision	69,584	87,440	17,856	20%
Pension	450,841	1,135,503	684,662	60%
Other employee benefits	535,051	1,048,525	513,474	49%
Compensated absences expenses	<u>128,666</u>	<u>-</u>	<u>(128,666)</u>	<u>(100%)</u>
Total personal services (PS)	<u>14,440,686</u>	<u>15,703,214</u>	<u>1,262,528</u>	<u>8%</u>
Other than personal services (OTPS) :				
Insurance	3,540,976	3,561,500	20,524	1%
Professional services	1,749,865	1,295,576	(454,289)	(35%)
Marketing/advertising	68,317	40,000	(28,317)	(71%)
Management fees	5,650,240	5,600,000	(50,240)	(1%)
Legal services	476,119	425,000	(51,119)	(12%)
Telecommunications	216,082	213,500	(2,582)	(1%)
Island improvements - capital plan	564,588	490,800	(73,788)	(15%)
Repairs and maintenance	337,928	950,300	612,372	64%
Repairs and maintenance equipment	36,777	44,500	7,723	17%
Other repairs and maintenance	<u>5,770</u>	<u>293,000</u>	<u>287,230</u>	<u>98%</u>

(Continued)

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Budget Variance Report, Continued

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u> <u>Variance</u>	<u>Percent</u>
Expenses, Continued:				
Other than personal services (OTPS), continued:				
Vehicles gas	\$ 145,618	126,200	(19,418)	(15%)
Vehicles repair and maintenance	122,052	133,000	10,948	8%
Vehicles parts	27,334	17,500	(9,834)	(56%)
Equipment lease	48,865	32,000	(16,865)	(53%)
Office equipment purchase	32,079	18,500	(13,579)	(73%)
Equipment purchases	49,119	38,500	(10,619)	(28%)
Other equipment purchases	30,618	30,000	(618)	(2%)
Exterminator	7,455	14,000	6,545	47%
Uniforms	98,007	78,500	(19,507)	(25%)
Light, power, heat	631,745	783,000	151,255	19%
Water and sewer	17,245	25,000	7,755	31%
Office supplies	25,434	33,000	7,566	23%
Parts and supplies	332,747	232,433	(100,314)	(43%)
Service maintenance agreement	94,873	151,480	56,607	37%
Employee travel and meal	740	9,733	8,993	92%
Employee training	95,346	125,000	29,654	24%
Shipping	9,071	18,310	9,239	50%
Subscriptions/membership	26,247	34,556	8,309	24%
Other expenses	173,822	294,250	120,428	41%
Island events - community relations	212,941	158,000	(54,941)	(35%)
Total other than personal services (OTPS)	<u>14,828,020</u>	<u>15,267,138</u>	<u>439,118</u>	3%
Total expenses	<u>29,268,706</u>	<u>30,970,352</u>	<u>1,701,646</u>	5%
Operating income before depreciation	1,625,840	1,838,648	(212,808)	(12%)
Depreciation expense	<u>(7,304,099)</u>	<u>(4,492,025)</u>	<u>(2,812,074)</u>	63%
Net surplus (deficit)	<u><u>\$(5,678,259)</u></u>	<u><u>(2,653,377)</u></u>	<u><u>(3,024,882)</u></u>	114%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Budget Variance Report
Year ended March 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u> <u>Variance</u>	<u>Percent</u>
Revenue:				
Residential fees	\$ 1,682,789	1,857,000	(174,211)	(9%)
Ground rent	14,636,811	15,106,000	(469,189)	(3%)
Commercial rent	1,661,743	1,655,000	6,743	1%
Tramway revenue	1,642,755	6,356,000	(4,713,245)	(74%)
Public safety reimbursement	2,205,103	2,152,000	53,103	2%
Transport/parking revenue	2,295,009	2,721,000	(425,991)	(16%)
Interest income	998,974	1,355,000	(356,026)	(26%)
Unrealized loss	(2,833)	-	(2,833)	(100%)
Other revenue	<u>2,559,772</u>	<u>4,373,000</u>	<u>(1,813,228)</u>	<u>(41%)</u>
Total revenue	<u>27,680,123</u>	<u>35,575,000</u>	<u>(7,894,877)</u>	<u>(22%)</u>
Expenses:				
Personal services (PS) :				
Salaries	9,325,711	9,948,527	622,816	6%
Salaries OT	291,180	196,560	(94,620)	(48%)
Temporary employees	68,679	162,000	93,321	58%
Workers compensation and disability	124,568	252,614	128,046	51%
ER payroll taxes	832,278	856,192	23,914	3%
Health insurance	2,024,434	2,460,555	436,121	18%
Dental/vision	61,840	110,677	48,837	44%
Pension	1,600,138	1,146,597	(453,541)	(40%)
Other employee benefits	333,905	1,045,406	711,501	68%
Compensated absences expenses	<u>286,251</u>	<u>-</u>	<u>(286,251)</u>	<u>(100%)</u>
Total personal services (PS)	<u>14,948,984</u>	<u>16,179,128</u>	<u>1,230,144</u>	<u>8%</u>
Other than personal services (OTPS) :				
Insurance	3,147,500	2,139,360	(1,008,140)	(47%)
Professional services	1,413,179	1,159,250	(253,929)	(22%)
Marketing/advertising	19,921	40,000	20,079	50%
Management fees	5,374,379	5,476,000	101,621	2%
Legal services	167,474	515,000	347,526	67%
Telecommunications	221,431	213,500	(7,931)	(4%)
Island improvements - capital plan	675,844	485,590	(190,254)	(39%)
Repairs and maintenance	401,666	1,965,300	1,563,634	80%
Repairs and maintenance equipment	24,913	44,500	19,587	44%
Other repairs and maintenance	<u>318,028</u>	<u>343,000</u>	<u>24,972</u>	<u>7%</u>

(Continued)

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Budget Variance Report, Continued

			<u>Favorable (Unfavorable)</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percent</u>
Expenses, Continued:				
Other than personal services (OTPS), continued:				
Vehicles gas	\$ 79,666	126,200	46,534	37%
Vehicles repair and maintenance	42,377	133,000	90,623	68%
Vehicles parts	65,510	17,500	(48,010)	(274%)
Equipment lease	89,174	37,100	(52,074)	(140%)
Office equipment purchase	58,537	23,500	(35,037)	(149%)
Equipment purchases	16,469	43,000	26,531	62%
Other equipment purchases	41,607	30,000	(11,607)	(39%)
Exterminator	7,343	14,000	6,657	48%
Uniforms	69,625	84,500	14,875	18%
Light, power, heat	634,136	783,000	148,864	19%
Water and sewer	11,262	28,000	16,738	60%
Office supplies	18,015	33,000	14,985	45%
Parts and supplies	271,597	270,347	(1,250)	(1%)
Service maintenance agreement	41,063	151,480	110,417	73%
Employee travel and meal	12,917	13,500	583	4%
Employee training	40,875	125,000	84,125	67%
Shipping	7,998	18,310	10,312	56%
Subscriptions/membership	24,433	26,037	1,604	6%
Other expenses	31,344	294,250	262,906	89%
Island events - community relations	7,641	158,000	150,359	95%
Total other than personal services (OTPS)	<u>13,335,924</u>	<u>14,791,224</u>	<u>1,455,300</u>	10%
Total expenses	<u>28,284,908</u>	<u>30,970,352</u>	<u>2,685,444</u>	9%
Operating income (loss) before depreciation	(604,785)	4,604,648	(5,209,433)	(113%)
Depreciation expense	<u>(5,933,739)</u>	<u>(4,361,189)</u>	<u>(1,572,550)</u>	36%
Net surplus (deficit)	<u>\$ (6,538,524)</u>	<u>243,459</u>	<u>(6,781,983)</u>	(2,786%)



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

The Board of Directors
Roosevelt Island Operating Corporation:

We have audited, 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, 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, 2022, and the related notes to financial statements, which collectively comprise RIOC's basic financial statements, and have issued our report thereon dated June 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RIOC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of RIOC's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of RIOC's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RIOC's financial statements are free from 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 financial statements. 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RIOC's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering RIOC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 28, 2022



Roosevelt Island Operating Corporation

KATHY HOCHUL
Governor

SHELTON J. HAYNES
President & CEO

BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of BUDGET
Fay Christian
Conway S. Ekpo
David Kraut
Howard Polivy
Michael Shinozaki

MEMO

TO: Shelton J. Haynes, President/CEO and Board of Directors

FROM: Daeman Di Stefano, Assistant CFO/Comptroller *DSD*

DATE: June 23, 2022

RE: Public Authority Annual Investment Report – Fiscal Year 2021-2022

Pursuant to § 2925 of the Public Authorities Law, attached is the Annual Investment Report for the Fiscal Year April 2021 to March 2022 for your approval.

Also, please find a copy of the Investment Guidelines for your approval.

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

Annual Investment Report

March 31, 2022



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
SECTION 201.3 OF TITLE TWO OF THE OFFICIAL COMPILATION OF
CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK**

The Board of Directors
Roosevelt Island Operating Corporation:

We have examined Roosevelt Island Operating Corporation's (RIOC) compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended March 31, 2022. 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.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether RIOC complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether RIOC complied with the specified requirements referenced above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on RIOC's compliance with Section 201.3.

In our opinion, RIOC complied, in all material respects, with the requirements of Section 201.3 for the year ended March 31, 2022.

In accordance with Government Auditing Standards, we have issued our report dated June 28, 2022, in which we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws and regulations that have a material effect on RIOC's compliance with Section 201.3 and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our

examination to express an opinion on whether RIOC complied with the aforementioned requirements and not for the purpose of expressing an opinion on the effectiveness of internal control over compliance with those requirements or other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of RIOC's management, the Board of Directors, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 28, 2022



Roosevelt Island Operating Corporation

KATHY HOCHUL
Governor

SHELTON J. HAYNES
President & CEO

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Roosevelt Island Operating Corporation Annual Investment Report FY 2021 - 2022

Investment Guidelines

Public Authorities Law Section 2925 (“PAL 2925”) requires Public Authorities to develop and adopt comprehensive investment guidelines (“Guidelines”), which shall set forth, among other things:

- a list of permitted investments
- what types of investments shall be secured with collateral and to what extent
- what types of securities are accepted as collateral
- how collateral shall be valued and monitored
- standards for qualifying firms with which business is transacted
- what types of investments shall be made pursuant to written contracts
- a detailed list of the total fees or commissions paid for investment services
- provisions for annual independent audit of all investment; and
- provisions for preparing and filing annual investment reports.

In compliance with PAL 2925, Roosevelt Island Operating Corporation (“RIOC”) has developed and adopted such Guidelines, a copy of which is attached.

Summary of Investments by Investment Type

<u>Investment Type</u>	<u>3/31/2022 Market Value</u>	<u>3/31/2021 Market Value</u>	<u>Increase/ Decrease</u>
Cash Deposits	\$ 1,419,615	3,513,428	(2,093,813)
Money Market	1,321,872	5,372,956	(4,051,084)
Insured Cash Sweep	1,388,995	22,864,727	(21,475,732)
Certificate of Deposits	<u>5,962,145</u>	<u>7,409,535</u>	<u>(1,447,390)</u>
Total	\$ <u>10,092,627</u>	<u>39,160,646</u>	<u>(29,068,019)</u>

The total investments as of March 31, 2022 and March 31, 2021 were \$10,092,627 and \$39,160,646, respectively. All the investments were fully FDIC insured or collateralized.

Money Market, Insured Cash Sweep (ICS) and Certificate of Deposits (CD) decreased by \$4,051,084, \$21,475,732 and \$1,447,390, respectively, mainly due to transfers to cash deposits for payments for capital projects.

Investment Income

<u>Investment Type</u>	<u>Year ended 3/31/2022</u>	<u>Year ended 3/31/2021</u>	<u>Increase/ Decrease</u>
CD	\$ 8,360	142,781	(134,421)
ICS	24,268	258,677	(234,409)
Money Market	<u>127</u>	<u>585</u>	<u>(458)</u>
Total	\$ <u>32,755</u>	<u>402,043</u>	<u>(369,288)</u>
Investment Yield (Annualized)	0.33%	1.03%	(0.70%)

The total income from investments for the years ending March 31, 2022 and March 31, 2021 was \$32,755 and \$402,043, respectively. The decrease in investment income of \$369,288 is due to lower invested balances and lower interest rates.

Fees and Commissions

No fees or commissions were paid for investment services by RIOC for the years ended March 31, 2022 and 2021.

Amendments to Guidelines

The guidelines were approved by the RIOC Board of Directors in June 2018. There were no amendments to the Guidelines during the years ended March 31, 2022 and 2021.

Independent Audit Report

As required by PAL 2925, an independent audit of RIOC's compliance with its Guidelines was conducted and a copy of the Independent Auditor's report on compliance is attached.

ROOSEVELT ISLAND OPERATING CORPORATION INVESTMENT GUIDELINES

Introduction

On July 2, 1985, the Roosevelt Island Operating Corporation adopted comprehensive corporate investment guidelines as required by Section 2925 of the New York Public Authorities Law (the “Investment Guidelines”). Section 2925 requires that the Investment Guidelines be annually reviewed and approved by the Directors of the Roosevelt Island Operating Corporation. The following Investment Guidelines amend and restate the guidelines previously adopted, and are adopted in consideration of the New York State Comptroller’s Investment Guidelines for Public Authorities and in accordance with Chapter 899 of the Laws of 1984 (the “RIOC Act”) and Section 2925 of the New York Public Authorities Law.

ARTICLE ONE

Definitions

As used herein the terms set forth below are defined as follows:

- 1.1 “Chief Financial Officer” means a Treasurer, a Vice President for Fiscal or Financial Affairs or the highest financial officer in the Corporation.
- 1.2 “Chief Executive Officer” means the President of the Corporation.
- 1.3 “Comptroller” means the State Comptroller.
- 1.4 “Corporation” means the Roosevelt Island Operating Corporation (sometimes referred to as “RIOC”), a body corporate and politic constituting a public benefit corporation and a political subdivision of the State of New York, created and established pursuant to Chapter 899 of the Laws of 1984 of the State of New York (the “RIOC Act”).
- 1.5 “Investment Funds” means all monies and financial resources available for investment by the Corporation on its own behalf or on behalf of any other entity or individual, and not required for immediate use or disbursement.
- 1.6 “Repurchase Agreement” means a repurchase agreement satisfying the requirements set forth in Article 4 herein.
- 1.7 “Securities” means any or all of the investment obligations of the categories described in Section 4.1 of Article Four herein.
- 1.8 “State” means the State of New York.
- 1.9 “Depository” means a bank, savings and loan association, savings bank or credit union designated by the Corporation to hold deposits of monies required for immediate use or disbursement, other than Investment Funds. The obligation on the part of the Depository is that it keep the deposit and, upon request, restore it to the depositor or otherwise deliver it according to the original trust.

ARTICLE TWO

Scope

These guidelines shall govern the investment and reinvestment of Investment Funds and the sale and liquidation of investments, as well as the monitoring, maintenance, accounting, reporting and internal controls by and of the Corporation with respect to such investment, sale, reinvestment and liquidation.

ARTICLE THREE

Investment Objectives

The Corporation's investment activities shall have as their first and foremost objective the safeguarding of the principal amount of the Investment Funds. Additional considerations regarding the Corporation's investment activities shall be liquidity of investments and realization of a reasonable return on investments. In furtherance of achieving these objectives, the Corporation shall provide for the diversification of investments to the extent practicable, with respect to maturities of investments, the type of investments and the firms with which the Corporation transacts business.

ARTICLE FOUR

Permissible Investments

- 4.1 The Corporation may invest its Investment Funds in any and all of the following, if and to the extent permitted by statutes and regulations applicable at the time of investment of such Investment Funds:
- 1) Any bonds and other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by the United States of America;
 - 2) Any bonds and other obligations which as to principal and interest constitute direct obligations of the State or which are unconditionally guaranteed by the State as to payment of principal and interest;
 - 3) Bonds and other obligations of governmental authorities, political subdivisions or public authorities of the State or of the United States of America, which are securities in which the Corporation lawfully may invest pursuant to applicable statutes, regulations and bond resolutions;
 - 4) Prime Commercial Paper issued by domestic banks, corporations and financial companies rated "A-1" or "P-1" by Standard & Poor's Corporation or Moody's Investors Services, Inc.
 - 5) Certificates of Deposit of financial institutions authorized to do business in this State, including, but not limited to, commercial banks who participate in New York State Excelsior Linked Deposit programs and are authorized program depositories, which certificates of deposit are fully insured by a federal insurance program or by the Federal Deposit Insurance Corporation (collectively referred to herein as the "FDIC") or fully secured as required by Section 4.3.1 below, by securities of the character described in clauses (1), (2) or (3) of this paragraph;

- 6) Subject to the requirements of Section 4.2 below, any Repurchase Agreement with any bank or trust company authorized to do business in the State of New York or with any broker-dealers included in the Federal Reserve Bank of New York's list of primary government security dealers, which agreement is secured by securities of the character described in clauses (1), (2) or (3) of this paragraph; and
- 7) In any other obligations in which the Comptroller is authorized to invest pursuant to Section 98 of the State Finance Law.

4.2 Specific Requirements Governing Repurchase Agreements

- 4.2.1 Eligible Sellers. The Corporation shall enter into Repurchase Agreements only with banks or trust companies authorized to do business in the State or from broker-dealers on the Federal Reserve Bank of New York's list of primary government securities dealers and only after the Chief Financial Officer has reviewed such firm's capitalization and the Chief Financial Officer and Chief Executive Officer have set a limit on the amount of monies that the Corporation may invest with such firm at any one time. The placement of Repurchase Agreements shall be distributed among several authorized firms to reduce the level of risk. The investment limit set for each such firm shall not be exceeded unless the Chief Financial Officer and the Chief Executive Officer make a written finding that sufficient Securities are not available from other eligible firms. Not less frequently than once each year, the Chief Financial Officer shall review and, if appropriate recommend adjustment of the investment limit for each eligible seller in light of such firm's current capitalization. All investment limit adjustments shall require the approval of the Chief Financial Officer and Chief Executive Officer.
- 4.2.2 Eligible Custodian Banks. To be eligible to hold the Securities which are the subject of a Repurchase Agreement, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Securities, whether by book entry or physical delivery, should be confirmed in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities.
- 4.2.3 Maximum Maturity of Repurchase Agreements. There shall be no "open repurchase" agreements. Repurchase Agreements shall be limited to a maturity not to exceed ten (10) working days. Collateral shall have maturities not exceeding thirty (30) years.

4.3 Specific Requirements Regarding Certificates of Deposit.

- 4.3.1 Collateral Requirements. To the extent that the Corporation's investment in a certificate of deposit is less than fully insured by the FDIC, the uninsured portion shall be fully collateralized by Securities (other than Repurchase Agreements). Collateral for a certificate of deposit must be reviewed at least monthly to determine if the market value of the Securities equals or exceeds the principal amount of the uninsured portion of the certificate of deposit plus accrued interest. If the market value of the Securities is insufficient, the issuer of the certificate of deposit must exchange or add to the amount of collateral to bring its market value to equal or exceed the uninsured portion of the principal amount of the certificate of deposit plus accrued interest.

4.3.2 Standard Terms for Certificate of Deposit Collateral Agreement. The Corporation shall negotiate and enter into a written agreement with each bank (and custodian) from which it has obtained a certificate of deposit. Such written agreement shall, at a minimum, address the following concerns:

- (A) The frequency of the valuation of the collateral to market; as set forth above (such valuation shall be done by the Corporation at least monthly);
- (B) The right and ability of the bank to substitute like Securities as collateral;
- (C) Description of events of default which would permit the Corporation or its custodian to liquidate or purchase the underlying Securities;
- (D) Description of the party who is to have title to the underlying Securities during the term of the agreement;
- (E) With respect to the custodial bank, the agreement shall also provide that the custodial bank takes possession of the Securities as agent of the Corporation and that the claims of the custodial bank are subordinate to those of the Corporation.
- (F) Notwithstanding the foregoing, with the approval of the Chief Executive Officer and the Chief Financial Officer, the Corporation shall also consider additional criteria as it deems appropriate, in accordance with these Investment Guidelines, to secure investments of the Corporation.

ARTICLE FIVE

Operating Procedures

5.1 Authorized Officers and Employees. Only the following persons shall be authorized to make investment decisions on behalf of the Corporation: the Chief Executive Officer and the Chief Financial Officer. The implementation of such investment decisions by placement of purchase or sale orders or otherwise shall be effected only by the foregoing officers and by such employees as may from time to time be designated in writing by the Chief Executive Officer or the Chief Financial Officer.

5.2 Standards for the Qualification of Brokers, Dealers and Agents. Any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer which is authorized to do business in the State may become qualified by the Corporation to transact purchases and sales of Securities (other than Repurchase Agreements) with the Corporation. Factors to be considered in determining the qualification of such firms shall include the firm's capitalization, quality, size and reliability, the Corporation's prior experience with the firm, the firm's level of expertise and prior experience with respect to the contemplated transaction. The determination of qualification shall be made by the Chief Financial Officer, who shall maintain a list of all such qualified firms.

5.3 Standards for the Qualification of Investment Advisors. For the purpose of rendering investment advice to the Corporation, the Corporation may qualify any bank or trust company organized under the laws of any state of the United States of America, any national banking association, and any partnership, corporation, or person which is:

- (A) Authorized to do business in the State, and
- (B) Registered with the Securities & Exchange Commission under the Investment Advisor Act of 1940, and/or
- (C) Registered with the New York State Secretary of State as an Investment Advisor; and/or
- (D) A member in good standing of the Investment Counsel Association of America.

The Corporation also shall consider the additional criteria (other than capitalization) enumerated in the preceding paragraph.

5.4 Standards for the Qualification of Custodial Banks. To be eligible to hold Securities as collateral for an investment made by the Corporation, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book entry transfer of Securities to the credit of the Corporation. Transfer of Securities, whether by book entry or physical delivery, should be confirmed to in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities.

5.5 Competitive Bids; Negotiated Prices. In connection with the purchase and sales of securities, for each transaction in excess of *two and one-half million dollars (\$2,500,000.00)* (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation shall utilize competitive quotations. For each transaction which is equal to or less than *two and one-half million dollars (\$2,500,000.00)* (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation may utilize either competitive quotations or negotiated prices. The foregoing shall not apply to the purchase of government securities at initial auction. A complete and continuous record of all quotes, solicited and received, shall be maintained by the Corporation's Fiscal Department.

For each transaction (other than the purchase of governmental securities at initial auction) in excess of two and one half million dollars (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), a minimum of three separate solicitations will be made on each direct purchase or sale of a Security (including a Repurchase Agreement). The transaction shall be awarded to the dealer(s) offering the highest yield or return consistent with the Corporation's Investment Objectives as set forth herein, provided that, with respect to Repurchase Agreements, the amount of the investment with each individual firm does not exceed the investment limit referred to in Section 4.2.1 above.

- 5.6 Written Contracts and Confirmations. Unless the Directors shall by resolution determine that a written contract is not practical or that there is not a regular business practice of written contracts with respect to a specific investment or transaction, in which case the Directors, by such resolution, shall adopt procedures covering such investment or transaction, a written contract and/or a written confirmation shall be required for each investment transaction. With respect to the purchase or sale of Securities other than Repurchase Agreements, the Corporation shall not be required to enter into a formal written contract, provided that the Corporation's oral instructions to its broker, dealer, agent, investment advisor or custodian with respect to such transactions are confirmed in writing at the earliest practicable moment. A written contract shall be required for each purchase and sale of a Repurchase Agreement.
- 5.7 Payment. Payment for investments, other than certificates of deposit, shall be made only upon written confirmation of presentation of the physical Security, or in the case of book-entry form Securities, when credited for the custodian's account, which shall be segregated for the Corporation's sole use. The custodian may act on oral instructions from an authorized officer of the Corporation, such instructions to be confirmed in writing immediately by an authorized officer of the custodian. Such collateral shall, on the date of purchase, be at least equal in market value to the amount of the investment.
- 5.8 Collateral. Except as specifically otherwise provided herein, the Corporation's financial interest in its investments shall be fully secured or collateralized at all times in an amount not less than the original amount invested plus accrued, unpaid interest thereon. Only Securities permissible for investment by the Corporation pursuant to these Guidelines (other than Repurchase Agreements) may be accepted as collateral. Pledges of proportionate interests in pooled collateral shall not constitute acceptable collateral. In the case of certificates of deposit and demand and time deposits, collateral shall be provided for amounts in excess of the applicable limit of coverage provided by the FDIC. Collateral shall be maintained in the custody of the Corporation or an approved third party custodian at all times. To assure that, at all times, the market value of said collateral is at least equal to the original amount invested plus all accrued, unpaid interest, collateral shall be marked to market at the time the investment is made and thereafter daily with respect to Repurchase Agreements and weekly with respect to certificates of deposit.
- 5.9 Operating Funds. Operating funds and other monies of the Corporation, other than Investment Funds, are to be held in insured accounts at Depositories.
- 5.10 Internal Controls. Commencing with FY 2001-2002 (i) the Chief Financial Officer shall develop a detailed operating procedures manual as more particularly set forth in Section B(4) of the Comptroller's Investment Guidelines for Public Authorities and (ii) in accordance with Section 2925(5) of the Public Authorities Law, the Chief Financial Officer shall prepare and file with the Directors, reports on a regular basis, but not more often than on a quarterly basis, regarding new investments, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers or auditors.

ARTICLE SIX Reports and Audits

The following reports and audits shall be prepared in connection with the Corporation's investment program.

6.1 Annual Investment Report. After the close of each fiscal year of the Corporation, the Chief Executive Officer shall submit to the Directors, and the Corporation shall file with the State Division of the Budget, with copies thereof to the Office of the Comptroller, the State Senate Finance Committee and State Assembly Ways and Means Committee, an annual investment report, prepared with the assistance of the Chief Financial Officer, which shall include the following:

- (1) The Investment Guidelines required by Section 2925(3) of the Public Authorities Law and any amendments to such guidelines since the last investment report;
- (2) An explanation of the Investment Guidelines and amendments;
- (3) The results of the Annual Investment Audit (described below);
- (4) The investment income record of the Corporation; and
- (5) A list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the date of the last investment report.

6.2 Annual Investment Review. As part of the of the preparation of the annual financial statements of the Corporation, the Corporation shall, each fiscal year commencing with FY 2000-2001, cause its independent auditors to conduct a review regarding the Corporation's investments as required by Section 2925(3)(f) of the Public Authorities Law. (The Corporation's financial statements with respect to investments, which are required to be prepared in conformance with generally accepted accounting principles for governments ("GAAP"), should contain all of the note disclosures on deposits with financial institutions and investments required by the Governmental Accounting Standards Board Statements No.3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements" dated April 1986). The Annual Investment Review:

- (1) Shall determine whether: the Corporation complies with its own investment policies; investment assets are adequately safeguarded; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the corporation's assets; and a system of adequate internal controls is maintained.
- (2) Shall determine whether the Corporation has complied with applicable laws, regulations and the Comptroller's Investment Guidelines; and
- (3) Should be designed to the extent practical to satisfy both the common interest of the Corporation and the public officials accountable to others.

6.2 Annual Investment Audit Report. The results of the Annual Investment Review shall be set forth in a report (the “Annual Investment Audit Report”) which shall include without limitation:

- (1) verification of collateral;
- (2) a description of the scope and objectives of the audit;
- (3) a statement that the audit was made in accordance with generally accepted government auditing standards;
- (4) a description of any material weaknesses found in the internal controls;
- (5) a description of all non-compliance with the Corporation’s investment policies as well as applicable laws, regulations and the Comptroller’s Investment Guidelines for Public Authorities;
- (6) a statement of positive assurance of compliance on the items tested and negative assurance on those items not tested;
- (7) a statement on any other material deficiency or finding identified during the audit not covered in (6) above; and
- (8) recommendations, if any, with respect to amendment of these Guidelines.

In accordance with Part 201 of Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York, the Annual Investment Audit Report shall be filed within ninety (90) days after the close of the Corporation’s fiscal year with the Coordinator of Public Authority Programs, Office of the State Comptroller, A.E. Smith Office Building, Albany, N.Y. 12236.

ARTICLE SEVEN

Miscellaneous

7.1 In connection with the Annual Investment Audit Report, each year the Corporation shall review these Guidelines to determine whether the Corporation shall amend or otherwise update these Guidelines.



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REPORT TO THE BOARD

June 28, 2022

The Board of Directors
Roosevelt Island Operating Corporation

Dear Board Members:

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, 2022 and have issued our report thereon dated June 28, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Accounting Principles

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by RIOC are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2022. We noted no transactions entered into by RIOC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended March 31, 2022, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

The Board of Directors
Roosevelt Island Operating Corporation
Page 2

Significant Disclosures

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements detected as a result of our audit.

Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to RIOC's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as RIOC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The Board of Directors
 Roosevelt Island Operating Corporation
 Page 3

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of changes in Corporation's total OPEB liability and related ratios, the schedule of Corporation's proportionate share of the net pension liability, and the schedule of Corporation's pension contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * *

This information is intended solely for the 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.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC



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June 28, 2022

CONFIDENTIAL

The Board of Directors
Roosevelt Island Operating Corporation

Dear Board Members:

We have completed our audit of the financial statements of the Roosevelt Island Operating Corporation (RIOC) for the year ended March 31, 2022. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose. This report is intended solely for the information and use of the Board of Directors, management and others within RIOC. We now present for your consideration our comment and recommendation based upon observations made during our audit.

Accounting for Leases

Under current guidance, leases are classified as either capital or operating depending on whether the lease meets any of four tests. In many cases, this results in reporting lease transactions differently than similar nonlease financing transactions.

Governmental Accounting Standards Board (GASB) Statement No. 87 - "Leases," is effective for RIOC's fiscal year beginning April 1, 2022. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The Board of Directors
Roosevelt Island Operating Corporation
Page 2

We recommend that RIOC gain an understanding of this Statement, develop a plan to fully review all current lease agreements, and to document the accounting treatment of each lease under this Statement to minimize any difficulties at the time of implementation. Proper documentation will also assist in the accounting and reporting for future periods.

* * * * *

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

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC

Senior Staff for the period of April 1, 2021 – March 31st, 2022

Shelton J. Haynes

President & Chief Executive Officer

Shelton J. Haynes is the President & Chief Executive Officer of the Roosevelt Island Operating Corporation (RIOC). He was appointed President & CEO on March 16, 2021, a role in which he had been serving in an acting capacity since June 2020. Having first joined RIOC in April 2016 as Vice President of Operations, Mr. Haynes oversaw the Island's day-to-day functions as well as management of the Corporation's various administrative, operational, and planning departments, including the Public Safety Department.

Mr. Haynes is responsible for leading the corporation in conjunction with the Board of Directors and responsible for implementing the strategic goals and objectives of the corporation in unison with the Chair, enabling the Board to fulfill its governance function. Under his leadership he has been able to transform underperforming departments into high performing based on measurable key performance indicators and compliance audits. Mr. Haynes has been able to develop, communicate, and lead the implementation of the strategic plan in a manner consistent with the organizations mission, vision, and values.

Mr. Haynes previously served as Chief Operating Officer at the Housing Authority of DeKalb County in Georgia, where he oversaw all agency operations, strategic and operational initiatives as well as the executive management team. He received a Bachelor of Arts degree in Sociology from Hampton University.

John O'Reilly

Vice President of Capital Projects & Planning & Chief Financial Officer

John O'Reilly, CPA is the Vice President of Capital Projects & Planning, & Chief Financial Officer of the Roosevelt Island Operating Corporation (RIOC). Mr. O'Reilly is responsible for the Corporation's Capital Planning, Fiscal, and Procurement Departments.

Mr. O'Reilly has worked as a CFO in the construction industry for approximately 15 years and brings to RIOC expertise in a host of areas, including finance and risk management. He has extensive hands-on experience in business leadership and working with Board of Directors, Financial Institutions and Attorneys.

Mr. O'Reilly previously served for fourteen years as Divisional Chief Financial Officer of Bulova Corporation a division of Loews Corporation, where he directed the worldwide financial operations and cash management and championed corporate strategy reducing overhead and increasing revenues from 1993 to 2004, resulting in an overall 300% increase in corporate profit.

He received a Bachelor of Science degree in Accounting from Seton Hall University.

Gretchen Robinson***Vice President & General Counsel***

Ms. Robinson began her career as a lawyer in the Queens District Attorney's Office, where she worked for many years before moving on to the Civilian Complaint Review Board, where she conducted administrative trials in the Administrative Prosecution Unit.

She joined State Government in 2015, when she became the Compliance & Internal Controls Officer for RIOC. In 2018, Ms. Robinson served as Senior Counsel to the Empire State Development's Division of Minority and Women's Business Development where she advised the Division on policy matters and proposed legislation that would affect the MWBE Program. She also advised other agencies and public benefit corporations around the state on MWBE matters; and defended the Division in administrative appeals before returning to RIOC in 2019 in her current role as General Counsel.

Ms. Robinson grew up in Washington, District of Columbia. She received her Juris Doctor degree from the American University Washington College of Law, and a Bachelor of Arts and Sciences in French and Anthropology from the University of Virginia. She has over a decade of trial and oral advocacy experience and is admitted to practice in New York State.

Arthur Eliav***Compliance & Internal Control Officer***

Arthur Eliav is the Associate General Counsel of the Roosevelt Island Operating Corporation. Under the direction of the Vice President/General Counsel, Mr. Eliav assists with addressing the entire gamut of the Corporation's legal needs. In June of 2018, Mr. Eliav was also appointed to serve as the Corporation's Internal Control Officer ("ICO"). In his capacity as the ICO, Mr. Eliav's responsibilities include creation, implementation, maintenance, and monitoring of RIOC's comprehensive program of internal control.

Arthur Eliav received his Juris Doctor degree from the Cardozo School of Law in New York City. Prior to that, he graduated cum laude from the New York University's College of Arts and Sciences with a bachelor's degree in Politics (with Honors) and Religious Studies. Mr. Eliav is a proud member of the Stuyvesant High School Alumni Association.

Tajuna Sharpe***Assistant Vice President, Administration***

Tajuna Sharpe is the Assistant Vice President, Administration of the Roosevelt Island Operating Corporation.

Ms. Sharpe is responsible for the smooth and profitable operation of the corporation's human resources, information technology departments and payroll administration.

Ms. Sharpe directs the development and implementation of organizational development programs, employee orientation and training programs, benefits plans, policies and guidelines, compensation, payroll administration and employee records and documentation policies. In addition, Ms. Sharpe oversees information technology analyzing the business requirements of all department to determine their technology needs, establishing policies, and systems. She supports management by providing human resources direction, advice and counsel while ensuring compliance with federal and state law.

Prior to her tenure with the Authority, Ms. Sharpe has held positions in Human Resources Management with the Center for Employment Opportunities, a national non-profit, providing employment services to people who are reentering the workforce after incarceration and at Island Peer Review Organization, a national non-profit, providing quality improvement programs in the healthcare industry.

Ms. Sharpe has a B.S on Communication Arts & Sciences from St. John's University, an MBA with a concentration in Project Management and a master's degree in Human Resources from Keller Business School of Management.

Daeman Di Stefano

Assistant Chief Financial Officer & Comptroller

Daeman Di Stefano is the Assistant Chief Financial Officer & Comptroller of the Roosevelt Island Operating Corporation. Mr. Di Stefano is responsible for the overall day-to-day operations of the finance department.

Prior to his tenure with the Authority, Mr. Di Stefano worked for the Randall's Island Park Alliance ("RIPA"), a non-profit organization dedicated to the maintenance, development and programming of Randall's Island Park. During the approximately 16 years he worked at RIPA, the organization's budget and employee headcount increased substantially alongside growth of fundraising efforts and the redevelopment and expansion of park facilities. Under his leadership, the finance and human resources functions were expanded and modernized to meet the growing operating and governance needs of the organization. Prior to joining RIPA, Daeman worked at a small non-profit organization located in Washington, DC doing community outreach.

Mr. Di Stefano has a master's degree in Accounting with a concentration in Controllershship from Strayer University, a bachelor's degree in Philosophy from the State University of New York at Binghamton, and is a Certified Management Accountant.

Muneshwar Jagdharry

Assistant Chief Financial Officer & Comptroller

Muneshwar Jagdharry is a Certified Public Accountant with over 30 years of experience, specializing in the not-for-profit and governmental sectors. 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's in public health.

Kevin Brown***Director of Public Safety***

Chief Brown held a variety of leadership positions during a thirty-two-year career in the New York Police Department (NYPD), including serving as the operations Lieutenant for the Special Operations Division during the September 11th tragedy. Brown is a Law enforcement professional with decades of leadership experience overseeing personnel, facilities, equipment, policy, and budgets. Skillful communicator with excellent interpersonal, oral, and written presentation skills curriculum development. Departmentally recognized for dedication in performing specialized police work in the coordinating and conducting of investigations, crime prevention and solving of criminal cases. Highly developed administrative and analytical skills evidenced by the ability to continuously improve division operations in a diverse work force. Currently at Roosevelt Island Chief Brown specializes in community Kevin Brown also is an adjunct professor at CUNY John Jay College. Brown Received his B.A. and M.A. from John Jay College.

Altheria Jackson***Assistant Vice President of Programs and Operations***

Altheria Jackson is the Assistant Vice President of Programs and Operations of the Roosevelt Island Operating Corporation. Ms. Jackson ensures that the corporation's everyday activities run smoothly. She arranges and oversees the overall corporation's activities and affairs, including allocating materials and developing standard operation procedures, streamlining the organization's processes, and supervising daily workings.

Ms. Jackson also assesses the efficiency of RIOC's procedures and systems, and initiates changes if necessary.

Prior to her tenure with the Authority, Ms. Jackson previously served as a Regional Property Manager overseeing a portfolio that consisted of multi-family and senior assisted living properties in the East Coast region. Under her leadership most of her properties went from having a C rating to A/B rating. She also served as a Deputy Director of Operations, where she created policies, procedures and implemented processes to ensure efficiency which yielded optimal results.

Alvaro Santamaria***Director of Engineering***

Driven by challenge and ambition of entering into a field of infinite possibilities of real-life applications, I desired to engage my professional life in a technical and scientific discipline and chose from the various offerings, the field of Chemical Engineering. At age of 26, I graduated from Polytechnic University in Brooklyn, NY. It took me 4 years after high school to get registered in this University because after high school I chose to explore other fields in the business administration world, just to prove to myself that what I really wanted was a field of science. This was the beginning of what has become the philosophy of everything I do now. I never assume or conclude with hypothesis, but rather get the facts at hand, analyze the scenario / problem / issue, then weight all against possible corrective actions following principles of how the facts should be if all was to be working properly, and align a plan with the goal of implementing the most effective way of reaching the most probable correct result.

Now, 25 years after – I enjoy what I do! I feel that it's my responsibility to coach, support, and contribute to the team that conforms the maintenance department at RIOC. I am very passionate of ensuring that everyone remains informed of every single activity that the department is involved with and I hold the hand of those individuals that are part of the maintenance team and lead them to the situation and re-construct the scenario over a board, and discuss with them the WHAT, WHERE, HOW and WHY. I feel happy to see them later doing the same thing, but now on their own – following the installed upon them spirit for leaving their mark with excellence – executing with a common base line which is "consistency" in ALL the tasks they are entrusted with in every work order that is assigned to them.

Along my year of experience, I have had the opportunity to travel to many countries in Europe and South America, doing market research and business development with fortune 100 companies in the Pharmaceutical and Biotech industry. I have negotiated turn-key operation projects from conceptual stage to plant start-up and equipment commissioning following FDA and 21 CFR Part 11 guidelines for equipment control system validation. In the past 15 years, I chose to not travel anymore and entered since then into the building maintenance world. I worked in the hospitality, and Sports / Entertainment industry – being hands-on with equipment mechanics, refrigeration systems, building life safety systems, and critical room systems. I was part of Operating Engineers Local 94 for many years, as Chief Engineer before choosing the administrative path as Director of Engineering. At RIOC, I continue my journey, where I am pleased to support, share, and embrace a team that at their own pace, I hope would become the leaders of tomorrow at RIOC or anywhere that their spirit will take them in search of their professional fulfillment.

Mary C. Cunneen

Director of Organizational Efficiency & Special Projects, Internal Controls Officer

Mary C. Cunneen is the Director of Organizational Efficiency and Special Projects at the Roosevelt Island Operating Corporation. Ms. Cunneen oversees the quality control department as well as several outside contracts pertaining to the overall operation of the island and RIOC's properties. The Organizational Efficiency department provides process improvement audits for departments to actively diagnose issues and discover timely and cost-efficient solutions, develop KPI's and monitor success. The team holds project meetings to implement lean and agile techniques to meet and exceed goals set for the project team. The goal within the project meetings is not only to develop a solution and achieve a positive outcome but also to positively impact and develop the team members. The department also provides quality control services for the operations team including, site and safety inspection and proactive diagnosis of current infrastructure issues.

On June 18th, 2021, Ms. Cunneen was appointed to serve as the Corporation's Internal Control Officer ("ICO"). In her capacity as the ICO, Ms. Cunneen's responsibilities include creation, implementation, maintenance, and monitoring of RIOC's comprehensive program of internal control. She also collaborates with the Capital Planning and Projects team on numerous initiatives and strategic plans to renovate and further the advancement of the island and its parks, fields, and public accommodation spaces.

Prior to joining RIOC, Ms. Cunneen served at the University of Massachusetts Boston as the Associate Director of Athletic Facilities & Operations. While at UMASS she was responsible for leading, developing and managing the facilities master planning initiatives. Working strategically with other members of the University to improve the athletic facilities footprint, processes, and policies. Cunneen also spent time at Fordham University as the Associate

Director of Athletics for Facilities & Events. While with the Rams she oversaw the departments of event management and athletic facilities, serving as the managing director for daily facilities operations and leadership director for the athletic department. This included daily management, personnel supervision of facilities, special event direction as well as capital project oversight (Jack Coffey Football Field Renovation, Bahoshy Stadium Softball Field, Hawthorne Tennis Courts & House, Lombardi Track & Field House). She has served as Championship Director for numerous Atlantic 10 and NCAA tournaments. Ms. Cunneen was awarded the Facility Manager of the Year Award through the National Association of Collegiate Directors of Athletics in 2017.

Ms. Cunneen received her Bachelor's and Master of Business Administration degrees from St. John's University. She is also a Certified Project Management Professional.

Matthew Clark Kibby***Director of Horticulture and Grounds***

Matthew Kibby is the Director of Horticulture and Grounds of the Roosevelt Island Operating Corporation. Mr. Kibby is responsible for the safety of our citizens while enjoying exterior spaces, Ballfields, tennis courts and parks. He is also responsible for the maintenance and horticultural care of the islands turf and plantings. Directing, training, and coordinating the grounds crew in the maintenance of the landscape and grounds of Roosevelt Island. He also oversees outside contractors in the care and maintenance of turf, trees, and shrubs.

Mr. Kibby received his Bachelor of Science in Horticulture from the University of Connecticut. He has over 30 years' experience in the green industry as a horticulturist and certified arborist. He has been the grounds manager for institutions such as Stony Brook University, The Bronx Zoo and Howard Hughes research facility "Janelia Farms".

Erica Spencer-EL***Director of Community Affairs***

Ms. Erica Spencer-EL is the Director of Community Affairs of the Roosevelt Island Operating Corporation. Ms. Spencer-EL manages the relationship with the Roosevelt Island community and focuses on cultivating positive relationships with local residents and businesses. She oversees the organization of local events and is directly involved in the creation of programs for community outreach.

In addition, Ms. Spencer-EL directs the Roosevelt Island Youth Center. Along with her team, she plans and oversees programs for children and adolescents from the RI community. Their work helps the RI community flourish by providing supplemental education programs to kids and creating alternative after-school activities, such as sports, arts, enrichment, and recreation programs.

Prior to joining RIOC, Ms. Spencer-EL amassed a wide variety of work and leadership experiences in the sports, recreation, and fitness fields before she joined RIOC. From 2004 to 2006, she was the Director of Education at the Houston Inner City Fencing Program in Houston, Texas which she co-founded. There, she designed and

implemented the health, nutrition, and physical education programming for the organization, which brought

fencing and life skills to children from low- to moderate-income families.

Prior to her time in Houston, she was an instructor and mentor at the Peter Westbrook Foundation in New York City, where she used her expertise in fencing and sports training, along with her passion for young people, to teach life skills to youth from underserved communities. Among her other job experience, Spencer-EL managed the Virtual YMCA/Ameri-Corp program from 2000 to 2003.

Ms. Spencer-EL received her B.S. in Physiology and Sports Science from Temple University in Philadelphia, Pennsylvania.

Cyril Opperman ***Director of Transportation***

Cyril Opperman, 'Cy' as he is commonly known on the Island, is a lifelong and consummate New Yorker. Cy's strong work ethic manifested at 10 years of age, when his father allowed him to make his first delivery driving the family owned soda truck. From there, Cy continued to work throughout high school for the American Beverage Warehouse. Cy also mentored teens, coached basketball, and created schedules at the Lenox Hill Neighborhood House during this time.

In 1970, Cy gained his Class A commercial driver's license and joined AZ Trucking Company as a tractor trailer driver, but his desire to help people pushed him to also become a National Registered EMT and licensed Respiratory Therapist with Keefe and Keefe ambulance company. Not quite satisfied, he also added CPR instructor to his repertoire.

In 1980, Cy switched gears and began his journey through the MTA. The "first stop" was as a Bus Operator, then he became a DMV 19A Dispatcher. It wasn't long before he advanced to Superintendent- Training and Performance Division, then Assistant General Superintendent, and ultimately, Cy was promoted to General Superintendent before accepting the role of General Manager of Transportation at RIOC.

Cy's leadership skills and desire to help people are rivaled only by his work ethic. These traits quickly propelled him to the ranks of Director of Operations at the Roosevelt Island Operating Corporation, where he currently oversees day-to-day operations of island transportation, the grounds department, the Sportspark facility, the warehouse, Motorgate, and the Tramway.

Prince R. Shah ***Assistant Director, Capital Planning & Projects Department (CPP)***

Prince Shah joined Roosevelt Island Operating Corporation as a Project Manager in the Capital Planning & Projects department in March of 2018. Subsequently he was promoted to Senior Project Manager. Under the direction of COO and CFO, as the Assistant Director of CPP, he is responsible for overseeing all architectural and construction activities on Roosevelt Island.

Mr. Shah has 10 years of experience in the field of construction management ranging from procurement, scheduling,

logistics, on site construction management and closeouts. Prior to joining RIOC, Mr. Shah spent 6 years at Tishman Construction Corporation. At Tishman, Mr. Shah worked on logistics and planning stages of projects such as the World Trade Center loading dock, Flushing Commons, Hudson yards, Cornell Tech, etc. Mr. Shah then joined Cornell Tech project on Roosevelt Island as a Project Engineer where he assisted in managing multimillion-dollar contracts. At the Cornell project, as an Assistant Project Manager, Mr. Shah managed and coordinated misc. metals, painting, carpentry, and façade trades while playing an active role in monitoring the site and landscape work. At the completion of that project, Mr. Shah joined the NYU Langone project as an Assistant Architectural Superintendent to gain hands on field experience in a healthcare sector construction project.

Through his career in the private sector, Mr. Shah gained an understanding of project cost, schedule, trades management, site logistics coordination and administration of projects through all phases of construction.

Mr. Shah received a Bachelor of Architecture and a Master of Business Administration from the New York Institute of Technology. Outside of work, Prince enjoys photography and videography. Mr. Shah enjoys travelling and taking a stroll through the island.

Abdel Boujoual

Director of Information Technology

Abdel Boujoual is the Director of Information Technology at the Roosevelt Island Operating Corporation (RIOC), he is responsible for the direction and oversight of the Island's Information Technology Systems, provides leadership for the continued development of an innovative, robust, and secure information technology environment throughout RIOC.

Abdel has over 25 years' experience of technical and management experience in Information Technology, complex systems analysis, design, development and Integration, Quality Assurance, Systems Engineering with an extensive experience in the Audio/Video Industry and Systems Automation, brings to RIOC the expertise to take the Island's Information Technology to the next level.

Prior RIOC, Abdel was head of the Information Technology Department of a leading Audio Video Manufacturing Company.

Abdel has an Information Systems Analysis and Programing Diploma, Certified Microsoft Systems Engineer, and holding Cybersecurity Certification.

Former Senior Staff¹

¹ By the submission of this report, the following personnel were no longer employed by RIOC: (1) Arthur Eliav, Compliance & Internal Control Officer; (2) Muneshwar Jagdharry, Comptroller & Assistant Chief Financial Officer; (3) Amy Smith, Director of Community Affairs; and (4) Erica Spencer-EL, Director of Community Affairs.

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.

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.

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.

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

Mckinney's Consolidated Laws of New York Annotated Currentness

UNCONSOLIDATED LAWS (REFS & ANNOS)

TITLE 16. MUNICIPALITIES

CHAPTER 26. ROOSEVELT ISLAND OPERATING CORPORATION

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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 fiftydollars, upon a second within a period of eighteen months by a fine of not more than one hundred fiftydollars, 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.

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.

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

KATHY HOCHUL
Governor

Shelton J. Haynes
President & CEO

BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of BUDGET
Fay Christian
Conway S. Ekpo
David Kraut
Howard Polivy
Michael Shinozaki

COMMITTEES OF THE BOARD OF DIRECTORS AS OF March 31, 2022

COMMITTEES MEMBERS

Audit Committee – Established February 11, 1999

Howard Polivy (Chair), David Kraut, and the Director of Budget

Real Estate Development Advisory Committee – Established March 13, 2003

Howard Polivy (Chair), Jeffery R. Escobar, David Kapell, David Kraut

Operations Advisory Committee – Established July 13, 2000

Michael Shinozaki (Chair), David Kraut, Howard Polivy

Governance Committee – Established September 8, 2005

Michael Shinozaki (Chair), Jeffery R. Escobar, David Kapell, David Kraut



Roosevelt Island Operating Corporation

KATHY HOCHUL
Governor

SHELTON J. HAYNES
President & CEO

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David Kraut
Howard Polivy
Michael Shinozaki

LIST OF BOARD MEETINGS AND ATTENDANCE FOR THE 2021 – 2022 FISCAL YEAR

- 1) April 22, 2021
- 2) May 18, 2021
- 3) June 24, 2021
- 4) September 29, 2021
- 5) October 28, 2021
- 6) December 29, 2021
- 7) March 24, 2022

1)

APRIL 22, 2021 MEETING OF THE ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS

A meeting of the Board of Directors was held via videoconference on April 22, 2021 at 5:30 p.m.

Directors Present:

Linda Manley	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Conway Ekpo	Director
Jeffrey Escobar	Director
David Kapell	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director

Officers and Staff Attending:

Shelton J. Haynes	President/Chief Executive Officer
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John O'Reilly	Chief Financial Officer
Gretchen K. Robinson	Vice President/General Counsel
Anthony Amoroso	Deputy Director of Public Safety Department
Arthur Eliav	Associate General Counsel
Lada V. Stasko	Assistant General Counsel

Others Attending:

Richard J. Famigletti	Arthur J. Gallagher ARM Area President – Branch Manager Public Sector Practice – Regional Director
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Gretchen K. Robinson, Vice President/General Counsel called the Board meeting to order at 5:30 p.m. The roll was called, and a quorum found to be assembled and present.

2)

**MAY 18, 2021 MEETING OF THE ROOSEVELT ISLAND OPERATING CORPORATION
BOARD OF DIRECTORS**

A meeting of the Board of Directors was held via videoconference on May 18, 2021 at 5:30 p.m.

Directors Present:

Linda Manley	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Conway Ekpo	Director
Jeffrey Escobar	Director
David Kapell	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director

Officers and Staff Attending:

Shelton J. Haynes	President/Chief Executive Officer
John O'Reilly	Vice President/Chief Financial Officer
Gretchen K. Robinson	Vice President/General Counsel
Markus Szejnberg	Special Counsel

Chair's Designee Ms. Linda Manley called the Board meeting to order at 5:30 p.m. The roll was called and a quorum found to be assembled and present.

3)

**JUNE 24, 2021 MEETING OF THE ROOSEVELT ISLAND OPERATING CORPORATION
BOARD OF DIRECTORS**

A meeting of the Board of Directors was held via videoconference on June 24, 2021 at 5:30 p.m.

Directors Present:

Alejandro J. Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
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Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Conway Ekpo	Director
Jeffrey Escobar	Director
David Kraut	Director
Michael Shinozaki	Director

Directors Absent:

David Kapell	Director
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Officers and Staff Attending:

Gretchen K. Robinson	Vice President/General Counsel
Shelton J. Haynes	President/Chief Executive Officer
John O'Reilly	Vice President/Chief Financial Officer
Gretchen K. Robinson	Vice President/General Counsel
Anthony Amoroso	Deputy Director of Public Safety Department
Kevin Brown	Director of Public Safety Department
Mary C. Cunneen	Director of Organizational Efficiency & Special Projects
Arthur G. Eliav	Associate General Counsel
Muneshwar Jagdharry	Comptroller/Assistant Chief Financial Officer
Prince Shah	Senior Project Manager
Lada V. Stasko	Assistant General Counsel

Others Attending:

John S. Costilow	Director, EFPR Group, CPAs, PLLC
Joseph Klimek	Partner, EFPR Group, CPAs, PLLC

Gretchen K. Robinson, Vice President/General Counsel called the Board meeting to order at 5:30 p.m. The roll was called, and a quorum found to be assembled and present.

4)**SEPTEMBER 29, 2021 MEETING OF THE ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS****Directors Present:**

Linda Manley	Representing RuthAnne Visnauskas, RIOCF Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Conway Ekpo	Director
Jeffrey Escobar	Director
David Kapell	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director

Officers and Staff Attending:

Shelton J. Haynes	President/Chief Executive Officer
John O'Reilly	Vice President/Chief Financial Officer
Gretchen K. Robinson	Vice President/General Counsel

Kevin Brown	Director of Public Safety Department
Lada V. Stasko	Assistant General Counsel
Markus Szejnberg	Special Counsel

Gretchen K. Robinson, RIOC’s Vice President/General Counsel called the Board meeting to order at 5:30 p.m. The roll was called and a quorum found to be assembled and present.

5)

**OCTOBER 28, 2022 MEETING OF THE ROOSEVELT ISLAND OPERATING CORPORATION
BOARD OF DIRECTORS**

A meeting of the Board of Directors was held via videoconference on October 28, 2021 at 5:30 p.m.

Directors Present:

Linda Manley	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
David Kapell	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director

Directors Absent:

Conway Ekpo	Director
Michael Shinozaki	Director

Officers and Staff Attending:

Shelton J. Haynes	President/Chief Executive Officer
John O’Reilly	Vice President/Chief Financial Officer
Gretchen K. Robinson	Vice President/General Counsel
Anthony Amoroso	Deputy Director of Public Safety Department
Amy Smith	Public Information Officer
Lada V. Stasko	Assistant General Counsel
Markus Szejnberg	Special Counsel for Ethics, Risk, and Compliance

Gretchen K. Robinson, RIOC’s Vice President/General Counsel called the Board meeting to order at 5:30 p.m. The roll was called and a quorum found to be assembled and present.

6)

**DECEMBER 29, 2021 MEETING OF THE ROOSEVELT ISLAND OPERATING CORPORATION
BOARD OF DIRECTORS**

A meeting of the Board of Directors was held via videoconference on December 29, 2021 at 5:30 p.m.

Directors Present:

Linda Manley	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget

Conway Ekpo	Director
David Kraut	Director
David Kapell	Director
Howard Polivy	Director
Michael Shinozaki	Director

Directors Absent:

David Kapell	Director
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Officers and Staff Attending:

Shelton J. Haynes	President/Chief Executive Officer
John O'Reilly	Vice President/Chief Financial Officer
Gretchen K. Robinson	Vice President/General Counsel
Debra Kustka	Incoming Vice President/ Chief Operating Officer
Anthony Amoroso	Deputy Director of Public Safety Department
Amy Smith	Public Information Officer
Lada V. Stasko	Assistant General Counsel

Others Attending:

Barbara B. Brown	Partner, Attorney, Carter Ledyard & Milburn LLP
Sanjiv Tandon	Rivercross Representative

Gretchen K. Robinson, RIOC's Vice President/General Counsel called the Board meeting to order at 5:40 p.m. The roll was called, and a quorum found to be assembled and present.

7)

MARCH 24, 2022 MEETING OF THE ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS

A meeting of the Board of Directors was held via videoconference on March 24, 2022 at 5:30 p.m.

Directors Present:

Alex Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Conway Ekpo	Director
Howard Polivy	Director
Michael Shinozaki	Director

Directors Absent:

David Kraut	Director
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Officers and Staff Attending:

Gretchen K. Robinson	Vice President/General Counsel
Anthony Amoroso	Deputy Director of Public Safety Department
Kevin Brown	Director of Public Safety Department
Aida Morales	Chief of Staff
Alvaro Santamaria	Director of Engineering

Lynne Boyer Arthur J. Gallaher, ARM, CIC Client Service Supervisor
Richard J. Famigletti Arthur J. Gallaher, ARM Area President-Branch Manager Public Sector Practice-
Regional Director

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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) APPROVED CAPITAL PLAN 2021/2022 (In Thousands)														
		2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Description	Type	Approved Budget	Projected Actual	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Budgets 2022-2031
Sports Fields/Parks		\$17,235	\$1,047	\$100	\$0	\$2,500	\$8,750	\$7,539	\$2,121	\$2,500	\$0	\$100	\$100	\$23,710
Capobianco Field Reconstruction	Construction						\$200	\$1,289	\$1,771					\$3,260
Ferry Plaza reconstruction	Construction						\$50	\$250	\$50					\$350
Firefighters field relocation/com station (Design)	Design	\$43	\$30											\$0
Lighthouse Park Expansion & Partial Reconstruction	Construction	\$7,000					\$3,500	\$3,500				\$100	\$100	\$7,200
Nellie Bly Monument	Construction	\$400	\$100	\$100										\$100
Octagon Park - Comfort Station and Sitework	Construction	\$4,138	\$776											\$0
Octagon Sports field & Comfort station (Design)	Design	\$154												\$0
Pony Field Reconstruction	Construction								\$300	\$2,500				\$2,800
Sport Park renovation (Construction)	Construction	\$5,500				\$2,500	\$5,000	\$2,500						\$10,000
Sport Park renovation (Design)	Design		\$141											\$0
Historic & Landmark Structures		\$1,317	\$348	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Blackwell House Exterior and Roof	Construction	\$31												\$0
Lighthouse Restoration (Construction)	Construction	\$975	\$293											\$0
Lighthouse Restoration (Design)	Design	\$61												\$0
Smallpox Hospital (Design)	Design	\$250	\$55											\$0
Miscellaneous Upgrades & Improvements - Reserve														\$0
Infrastructure Improvements		\$15,741	\$18,578	\$7,671	\$8,596	\$4,029	\$2,983	\$2,333	\$2,708	\$4,200	\$0	\$200	\$200	\$32,919
AVAC Upgrades (Construction & Design)	Construction	\$877	\$222											\$0
Bike Ramp (Construction)	Construction					\$965	\$1,000	\$1,000						\$2,965
Bike Ramp (Design)	Design	\$200	\$88	\$425										\$425
Bike Lane (Construction)	Construction					\$125	\$1,000							\$1,125
Bike Lane (Design)	Design	\$50			\$1,050									\$1,050
Blackwell Plaza & Sidewalk renovation (Construction)	Construction	\$1,706				\$1,706								\$1,706
Helix Ramp Traffic Study	Traffic Study			\$250										\$250
Island wide Elevator/ Escalator /Conveyance Capital Repairs (Costruction)- PH 1	Construction	\$975												\$0
Island wide Main Street Trees & Sidewalks	Construction	\$100				\$333	\$333	\$333	\$333			\$100	\$100	\$1,532
Island wide data replacements	Construction	\$50		\$50	\$50									\$100
Island wide Road Improvements	Construction	\$100			\$500	\$500	\$500	\$500						\$2,000
Island wide Site Furnishings and Wayfinding	Construction			\$300	\$100	\$100	\$100	\$100						\$600
Island wide Security Improvements	Construction	\$150				\$100	\$50							\$150
Island wide Z Brick Replacement - Reserve												\$100	\$100	\$200
Motorgate Repairs PHASE 1 (Construction)	Construction	\$8,233	\$12,778											\$0
Motorgate Repairs PHASE 1 (Design)	Design		\$43											\$0
RIOC Elevator/ Escalator /Conveyance Capital Repairs (Design) - PH 1	Construction					\$200								\$200
Southpoint Open Space Park - Seawall (Construction)	Construction	\$3,000	\$5,413	\$646	\$646									\$1,291
Southpoint Open Space Park - Seawall (Design)	Design		\$34											\$0
Tram Rope Replacement/Stairs	Construction				\$250									\$250
Water Distrubution System Added	Construction	\$300												\$0
West Promenade Enhancements	Construction							\$500	\$2,375	\$4,200				\$7,075
Steam Tunnel	Construction			\$6,000	\$6,000									\$12,000

The Roosevelt Island Operating Corporation (RIOCC) APPROVED CAPITAL PLAN 2021/2022 (In Thousands)														
		2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Description	Type	Approved Budget	Projected Actual	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget	Budgets 2022-2031
Facilities & Offices		\$1,043	\$518	\$60	\$60	\$60	\$60	\$7,260	\$4,860	\$0	\$0	\$0	\$0	\$12,360
AVAC Mechanical/Piping	Construction	\$60		\$60	\$60	\$60	\$60	\$60	\$60					\$360
Dayspring Church	Construction	\$200												\$0
Bus Garage / Warehouse Rehab (Design)	Construction		\$275											\$0
Motorgate Plaza & Atrium	Construction	\$500						\$7,200	\$4,800					\$12,000
Youth Center Refurbishment (Construction)	Construction	\$283	\$175											\$0
Southpoint/ Animal Shelter - Cat house	Construction		\$68											\$0
Miscellaneous Facilities & Offices - Reserve	Construction													\$0
Equipment & Vehicles		\$470	\$0	\$715	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113	\$119	\$947
IT - CPU & Monitor (Workstations)	Equipment	\$20		\$15										\$15
IT - Disaster Recovery (on/offsite data storage)	Equipment	\$45		\$45										\$45
IT-Dark Fiber	Equipment			\$200										\$200
IT - Firewall (Sonicwall & Implementation Prof Services)	Equipment	\$20		\$15										\$15
IT - Security (access control - Camera)	Equipment	\$50		\$60										\$60
IT - Security (access control - swipe cards)	Equipment	\$20		\$15										\$15
IT - Servers Infrastructure	Equipment	\$50		\$75										\$75
IT - Software Upgrades	Equipment	\$25		\$30								\$113	\$119	\$262
IT - Storage System (Hardware)	Equipment	\$30		\$30										\$30
IT - Telecom (Cables/Fiber to Connect to Data Center)	Equipment	\$50		\$75										\$75
IT - Telecommunication (New Phone System)	Equipment	\$10		\$25										\$25
IT - Upgrade of Network Switches & Hubs	Equipment	\$65		\$50										\$50
IT - Wireless Access Point	Equipment	\$10		\$5										\$5
P.S. - Misc. Equipment	Equipment	\$25		\$25										\$25
Vehicle	Vehicle	\$50		\$50										\$50
Misc. Reserve														\$0
Special Projects		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P.S. - Island Wireless Security Camera System	Equipment													\$0
Other - Special Projects	Equipment													\$0
Lighting & Signage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Signage & Traffic Analysis (Construction)	Construction													\$0
Signage & Traffic Analysis (Design)	Design													\$0
Street Light Replacement & Signage - Reserve														\$0
Tram		\$2,385	\$5,009	\$1,520	\$0	\$205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,725
Tram Elevator Manhattan (Construction)	Construction	\$2,000	\$5,009	\$1,520										\$1,520
Tram - Haul Rope	Construction	\$185												\$0
Tram Plaza - Roosevelt Island	Construction	\$200				\$205								\$205
Tram - Capital Reserve														\$0
Miscellaneous		\$1,600	\$1,923	\$1,300	\$1,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,100
Reserve														\$0
Owner's Representative	Construction	\$1,600	\$1,923	\$1,300	\$1,800									\$3,100
Contingency	Construction													\$0
TOTAL CAPITAL IMPROVEMENTS		\$39,791	\$27,423	\$11,366	\$10,456	\$6,794	\$11,793	\$17,132	\$9,689	\$6,700	\$0	\$413	\$419	\$74,761

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Budget Variance Report
Year ended March 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Percent</u>
Revenue:				
Residential fees	\$ 3,555,678	1,816,000	1,739,678	96%
Ground rent	16,060,409	15,243,000	817,409	5%
Commercial rent	1,704,219	1,701,000	3,219	1%
Tramway revenue	2,990,399	6,356,000	(3,365,601)	(53%)
Public safety reimbursement	2,299,324	3,232,000	20,698	1%
Transport/parking revenue	2,605,324	3,232,000	(626,676)	(19%)
Interest income	704,997	797,000	(92,003)	(12%)
Other revenue	<u>973,822</u>	<u>1,385,000</u>	<u>(411,178)</u>	<u>(30%)</u>
Total revenue	<u>30,894,546</u>	<u>32,809,000</u>	<u>(1,914,454)</u>	<u>(6%)</u>
Expenses:				
Personal services (PS) :				
Salaries	9,409,095	9,718,788	309,693	3%
Salaries OT	542,889	196,560	(346,329)	(176%)
Temporary employees	140,998	162,000	21,002	(13%)
Workers compensation and disability	281,888	159,000	(122,888)	(77%)
ER payroll taxes	828,444	833,530	5,086	1%
Health insurance	2,053,230	2,361,868	308,638	13%
Dental/vision	69,584	87,440	17,856	20%
Pension	450,841	1,135,503	684,662	60%
Other employee benefits	535,051	1,048,525	513,474	49%
Compensated absences expenses	<u>128,666</u>	<u>-</u>	<u>(128,666)</u>	<u>(100%)</u>
Total personal services (PS)	<u>14,440,686</u>	<u>15,703,214</u>	<u>1,262,528</u>	<u>8%</u>
Other than personal services 3(OTPS) :				
Insurance	3,540,976	3,561,500	20,524	1%
Professional services	1,749,865	1,295,576	(454,289)	(35%)
Marketing/advertising	68,317	40,000	(28,317)	(71%)
Management fees	5,650,240	5,600,000	(50,240)	(1%)
Legal services	476,119	425,000	(51,119)	(12%)
Telecommunications	216,082	213,500	(2,582)	(1%)
Island improvements - capital plan	564,588	490,800	(73,788)	(15%)
Repairs and maintenance	337,928	950,300	612,372	64%
Repairs and maintenance equipment	36,777	44,500	7,723	17%
Other repairs and maintenance	5,770	293,000	287,230	98%

(Continued)

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information Budget
Variance Report, Continued

			<u>Favorable (Unfavorable)</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percent</u>
Expenses, Continued:				
Other than personal services (OTPS), continued:				
Vehicles gas	\$ 145,618	126,200	(19,418)	(15%)
Vehicles repair and maintenance	122,052	133,000	10,948	8%
Vehicles parts	27,334	17,500	(9,834)	(56%)
Equipment lease	48,865	32,000	(16,865)	(53%)
Office equipment purchase	32,079	18,500	(13,579)	(73%)
Equipment purchases	49,119	38,500	(10,619)	(28%)
Other equipment purchases	30,618	30,000	(618)	(2%)
Exterminator	7,455	14,000	6,545	47%
Uniforms	98,007	78,500	(19,507)	(25%)
Light, power, heat	631,745	783,000	151,255	19%
Water and sewer	17,245	25,000	7,755	31%
Office supplies	25,434	33,000	7,566	23%
Parts and supplies	332,747	232,433	(100,314)	(43%)
Service maintenance agreement	94,873	151,480	56,607	37%
Employee travel and meal	740	9,733	8,993	92%
Employee training	95,346	125,000	29,654	24%
Shipping	9,071	18,310	9,239	50%
Subscriptions/membership	26,247	34,556	8,309	24%
Other expenses	173,822	294,250	120,428	41%
Island events - community relations	<u>212,941</u>	<u>158,000</u>	<u>(54,941)</u>	(35%)
Total other than personal services (OTPS)	<u>14,828,020</u>	<u>15,267,138</u>	<u>438,118</u>	3%
Total expenses	<u>29,268,706</u>	<u>30,970,352</u>	<u>1,701,646</u>	5%
Operating income before depreciation	1,625,840	1,838,648	(212,808)	(12%)
Depreciation expense	<u>(7,304,099)</u>	<u>(4,492,025)</u>	<u>(2,812,074)</u>	63%
Net surplus	<u>\$ (5,678,259)</u>	<u>(2,653,377)</u>	<u>(3,024,882)</u>	114%

* Vendor Name	Transaction Number	* Procurement Description	* Statu	* 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 Enterprise?	Is the Vendor a 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	* Address Line 1	Address Line	* City	Stat	* Postal Code	+ 4 *	Pro vinc e/ Re gio	* Countr	Country Name if "Other"
ABM SYSTEMS INC	37665	BMS failure for HVAC units in Chapel and PSD	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	8/9/2021	8/9/2021		Y	10/8/2021	16160.00	16160.00	16160.00	0.00		NYS	N	N	0	N		16160.00		54 CHERRY LANE		FLORAL PARK	NY	11001		USA		
ACCOUNTEMPS A ROBERT HALF CO.	35417	TEMPORARY ASSISTANCE FOR ADMIN SERVICES	Open	Staffing Services	Authority Contract - Non-Competitive Bid	8/20/2018	8/20/2018		Y	03/31/2020	903161.63	192717.24	903161.63	0.00		Foreign	N	N	0	Y	Continuation of exist	903161.63		12400 CALLECTION CENTER DR		CHICAGO	IL	60693		USA		
ACTIVE FIRE EXTINGUISHER CO.	37738	Fire Extinguishers Inspection and Tagging 2021-2022	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	9/24/2021	9/24/2021		Y	11/23/2021	6315.05	6315.05	6315.05	0.00		NYS	Y	Y	0	Y		6315.05		PO BOX 1977		LONG ISLAND CITY	NY	11101	1977	USA		
ADMIRAL ELEVATOR CORP	37362	Extension of Elevator Contract from January 2021 to June 2021	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	2/16/2021	3/31/2021		Y	03/31/2021	17310.00	11540.00	17310.00	0.00		NYS	N	N	0	Y		<\$50.000	17310.00		260 WEST 35TH STREET		NEW YORK	NY	10001		USA	
ADMIRAL ELEVATOR CORP	37659	Extension of Elevator Contract from July 2021 to December 2021	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	8/3/2021	8/3/2021		Y	10/2/2021	25480.00	24280.00	24280.00	1200.00		NYS	N	N	0	Y		<\$50.000	25480.00		260 WEST 35TH STREET		NEW YORK	NY	10001		USA	
ADMIRAL ELEVATOR CORP	37846	Replacement of Air Temperature Sensors	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	1/3/2022	1/3/2022		Y	3/4/2021	5850.00	5850.00	5850.00	0.00		NYS	N	N	0	Y		<\$50.000	5850.00		260 WEST 35TH STREET		NEW YORK	NY	10001		USA	
ADMIRAL ELEVATOR CORP	37955	Admiral Elevator Preventive Maintenance Renewal	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	3/25/2022	3/25/2022		Y	05/25/2022	29820.00	0.00	0.00	29820.00		NYS	N	N	0	Y		<\$50.000	29820.00		260 WEST 35TH STREET		NEW YORK	NY	10001		USA	
AIR AND POWER TRANSMISSION INC	36555	AVAC - CYLINDERS, HOUSES & VALVES PURCHASE (SEE	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	8/19/2019	8/19/2019		Y	03/31/2021	8756.09	0.00	8756.09	0.00		NYS	N	N	0	Y		<\$50.000	27810.00		81 GAZZA BOULEVARD		FARMINGDALE	NY	11735		USA	
AIR AND POWER TRANSMISSION INC	37459	AVAC - Compactor Door Lock Cylinders	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	4/15/2021	4/15/2021		Y	6/14/2021	5310.28	5310.28	5310.28	0.00		NYS	N	N	0	Y		<\$50.000	67215.78		81 GAZZA BOULEVARD		FARMINGDALE	NY	11735		USA	
AKRF INC	32875	BICYCLE RAMP PROJECT	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	10/13/2016	10/13/2016		Y	03/31/2018	7570.00	0.00	7570.00	0.00		NYS	N	N	0	Y		<\$50.000	12204.95		440 PARK AVENUE SOUTH	7TH FL.	NEW YORK	NY	10016		USA	
ASCENDHIRE	35770	TEMPORARY ASSISTANCE FOR CEO PRESIDENT	Completed	Staffing Services	Authority Contract - Non-Competitive Bid	12/3/2018	12/3/2018		Y	03/31/2020	67215.78	0.00	67215.78	0.00		NYS	N	N	0	Y	Continuation of exist	67215.78		321 WEST 44TH Street		NEW YORK	NY	10036		USA		
ATLANTIC DETROIT DIESEL ALLISON	37829	Bus #8 Transmission Rebuild	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	12/8/2021	12/8/2021		Y	2/6/2022	12204.95	12204.95	12204.95	0.00		Foreign	N	N	0	Y		<\$50.000	88907.00		19C CHAPIN ROAD		Pine Brook	NJ	07058		USA	
ATLANTIC ENGINEERING LABORATORIES OF NEW YORK INC	35977	THIRD PARTY INSPECTION IN RELATION TO POW35589 LIGHT	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	1/7/2019	1/7/2019		Y	03/31/2021	6914.00	0.00	6914.00	0.00		Foreign	N	N	0	Y		<\$50.000	10950.91		21 RANDOLPH AVENUE		AVENEL	NJ	07001		USA	
ATLANTIC ENGINEERING LABORATORIES OF NEW YORK INC	37213	AEL TO PERFORM THE THIRD PARTY INSPECTION FOR THE	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	9/25/2020	9/25/2020		Y	03/31/2022	7740.00	3300.00	7740.00	0.00		Foreign	N	N	0	Y		<\$50.000	155804.00		PO BOX 930256		ATLANTA	GA	31109		USA	
BLACKBAUD	37260	FE NKT CLOUD LICENSE FEES (10 USERS 10 WEB PORTALS)	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	11/10/2020	11/10/2020		Y	03/31/2024	118167.00	22500.00	46482.39	71684.61		Foreign	N	N	0	Y	Continuation of exist	49955.35										
BLIND LOVE PICTURES LLC	36902	MANDATED BOARD MEETING RECORDING FOR THE NEXT	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	1/21/2020	1/21/2020		Y	03/31/2021	8525.00	0.00	875.00	7750.00		NYS	N	N	0	Y		<\$50.000	5367.71		19 BEDFORD AVE		BREEZY POINT	NY	11697		USA	
BRACCI FENCE AND IRONWORKS, INC.	37473	Blackwell pits & Motorgate Grating repairs	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	4/20/2021	4/20/2021		Y	6/19/2021	7700.00	7700.00	7700.00	0.00		NYS	N	N	0	Y		<\$50.000	11520.00		1440 UTICA AVENUE		BROOKLYN	NY	11203		USA	
BRACCI FENCE AND IRONWORKS, INC.	37478	Fire Fighter Baseball Field Dug-out Repairs	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	4/25/2021	4/25/2021		Y	6/24/2021	5146.00	5146.00	5146.00	0.00		NYS	N	N	0	Y		<\$50.000	6523.28		1440 UTICA AVENUE		BROOKLYN	NY	11203		USA	
BRACCI FENCE AND IRONWORKS, INC.	37480	Blackwell House Railing for the Basket ball courts	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	4/25/2021	4/25/2021		Y	6/24/2021	5675.00	5675.00	5675.00	0.00		NYS	N	N	0	Y		<\$50.000	10371.45		1440 UTICA AVENUE		BROOKLYN	NY	11203		USA	
BRACCI FENCE AND IRONWORKS, INC.	37481	AVAC - East Gate, Fence, and Bollards Repairs	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	4/27/2021	4/27/2021		Y	6/26/2021	13230.00	13230.00	13230.00	0.00		NYS	N	N	0	Y		<\$50.000	5319.88		1440 UTICA AVENUE		BROOKLYN	NY	11203		USA	
BRACCI FENCE AND IRONWORKS, INC.	37713	AVAC - Aluminum Plate Sign board	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	9/9/2021	9/9/2021		Y	11/8/2021	6335.00	6335.00	6335.00	0.00		NYS	N	N	0	Y		<\$50.000	3093189.75		1440 UTICA AVENUE		BROOKLYN	NY	11203		USA	
CERDANT INC.	35610	SOCINOWALL FIREWALLS	Open	Technology - Software	Authority Contract - Non-Competitive Bid	10/15/2018	10/15/2018		Y	03/31/2020	18804.60	0.00	14825.85	3978.75		Foreign	N	N	0	Y		<\$50.000	26517.09		PO BOX 3204		DUBLIN	OH	43017		USA	
COOLING GUARD MECHANICAL CORP	37504	Cooling Guard to perform HVAC work at 524 Main Street for 59	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	5/10/2021	5/10/2021		Y	7/9/2021	14045.15	14045.15	14045.15	0.00		NYS	N	Y	0	Y		<\$50.000	23458.00		68-22 ELIOT AVE		MIDDLE VILLAGE	NY	11379		USA	
DESIGN 2147 LTD.	37035	LIGHTHOUSE TOWER RESTORATION PROJECT- ADDRESS	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	4/6/2020	4/6/2020		Y	03/31/2021	7125.00	305.00	5505.00	1620.00		NYS	N	N	0	Y		<\$50.000	1753475.25		52 DIAMOND STREET		BROOKLYN	NY	11222		USA	
DEVO & ASSOCIATES, LLC	36836	4G MODEM KIT WITH ANTENNA,NEW SOFTWARE SIM INS	Completed	Technology - Consulting/Development or Support	Authority Contract - Non-Competitive Bid	12/18/2019	12/18/2019		Y	03/31/2021	10950.91	0.00	10950.91	0.00		Foreign	N	N	0	Y		<\$50.000	10050.00		1252 HADDONFIELD-BERLIN RD	UNIT 3	VOORHEES	NJ	08043		USA	
DEVO & ASSOCIATES, LLC	37077	PARKFOLIO AIR TIME P & D/ PARKING METERS	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	6/9/2020	6/9/2020		Y	03/31/2021	30593.00	11835.00	21150.00	9443.00		Foreign	N	N	0	Y	OGS VENDOR	14390.00		1252 HADDONFIELD-BERLIN RD	UNIT 3	VOORHEES	NJ	08043		USA		
DIVA COMMUNICATIONS, INC.	37159	ZOOM MEETINGS REMAINING FY 1920 THROUGH 3/31/21	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	8/18/2020	8/18/2020		Y	03/31/2021	28212.50	3577.50	28212.50	0.00		NYS	Y	Y	1	Y		<\$50.000	29116.00		630 NINTH AVENUE	SUITE 304	NEW YORK	NY	10036		USA	
DYNAMIC PEST CONTROL INC	37056	WEEKLY PEST CONTROL SERVICES FOR INTERIOR EXTER	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	5/18/2020	5/18/2020		Y	03/31/2021	10710.00	4865.00	10710.00	0.00		NYS	Y	Y	1	Y		<\$50.000	5367.71		65 WEST MERRICK RD SUITE# 210		VALLEY STREAM	NY	11580		USA	
ELAN ENGINEERING	32125	SEAWALL RAILINGS	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	9/22/2016	9/22/2016		Y	12/31/2017	215915.54	0.00	215915.54	0.00		Foreign	N	N	0	Y	Continuation of exist	12597.60		476 HEATH PLACE		HACKENSACK	NJ	07601		USA		
ENVAC IBERIA S.A	37185	ON-CALL AVAC EMERGENCY REPAIRS	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	1/8/2016	1/8/2016		Y	03/31/2021	605000.00	69961.86	537735.88	67264.12		Foreign	N	N	0	Y	Sole Source	20499.04		BRYGGVAGEN 16-18	S-117 84	STOCKHOLM		00000		Other	SWEDEN	
ENVAC IBERIA S.A	35725	AVAC-TELEPHONE UPGRADE	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	11/19/2018	11/19/2018		Y	03/31/2020	1753475.25	0.00	1665929.27	87545.98		Foreign	N	N	0	Y	Sole Source	2634226.00		BRYGGVAGEN 16-18	S-117 84	STOCKHOLM		00000		Other	SWEDEN	
FORITAS, INC	35611	WAVE TELEPHONE SYSTEM FOR THE YOUTH CENTER	Open	Technology - Software	Authority Contract - Non-Competitive Bid	10/15/2018	10/15/2018		Y	03/31/2020	14390.00	0.00	0.00	14390.00		NYS	N	N	0	Y		<\$50.000	25000.00		19 WEST 21ST STREET		NEW YORK	NY	10010		USA	
GALLS	36320	REPLACEMENT OF BODY ARMOR FOR PSD	Open	Other	Authority Contract - Non-Competitive Bid	5/22/2019	5/22/2019		Y	03/31/2021	29116.00	0.00	16180.00	12936.00		Foreign	N	N	0	Y		<\$50.000	13830.00		24296 NETWORK PLACE		CHICAGO	IL	60673	1224	USA	
GALLS	36917	PSD UNIFORM BOOTS & TRAFFIC VEST SWEATERS FOR	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	1/24/2020	1/24/2020		Y	03/31/2021	6399.54	0.00	6399.54	0.00		Foreign	N	N	0	Y		<\$50.000	7311.12		24296 NETWORK PLACE		CHICAGO	IL	60673	1224	USA	
GALLS	36921	NEW UNIFORM & EQUIPMENT FOR ALL PSD MEMBERS	Open	Commodities/Supplies	Authority Contract - Non-Competitive Bid	1/28/2020	1/28/2020		Y	03/31/2021	49955.35	0.00	46928.96	3026.39		Foreign	N	N	0	Y		<\$50.000	7791.40		24296 NETWORK PLACE		CHICAGO	IL	60673	1224	USA	
GALLS	36969	UNIFORMS FOR NEW OFFICERS	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	2/12/2020	2/12/2020		Y	03/31/2021	5367.71	0.00	5367.71	0.00		Foreign	N	N	0	Y		<\$50.000	164000.00		24296 NETWORK PLACE		CHICAGO	IL	60673	1224	USA	
GLOBAL FUELING SYSTEMS Inc.(Henrich)	33585	TANK TIGHTNESS TESTING	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	5/18/2017	5/18/2017		Y	03/31/2018	14040.00	2340.00	11895.00	2145.00		NYS	N	N	0	Y	Continuation Of Exi	3330890.35		42 FIELD STREET		WEST BABYLON	NY	11704		USA		
GRIDLUM, INC.	37423	Gridlum - Tkkit Annual Renewal	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	3/19/2021	3/19/2021		Y	03/31/2021	11520.00	11520.00	11520.00	0.00		Foreign	N	N	0	Y		<\$50.000	13150.00		405 EL CAMINO REAL	301	MENLO PARK	CA	94025	5240	USA	
H.O. PENN MACHINERY COMPANY, INC	36233	PREVENTATIVE MAINTENANCE FOR PSD GENERATOR	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	4/22/2019	4/22/2019		Y	05/31/2020	6523.28	0.00	6523.28	0.00		NYS	N	N	0	Y		<\$50.000	22710.00		122 NOXON ROAD		POUGHKEEPSIE	NY	12603	2940	USA	
H.O. PENN MACHINERY COMPANY, INC	37329	H.O. Penn - PREVENTATIVE MAINTENANCE AGREEMENT	Open	Commodities/Supplies	Authority Contract - Non-Competitive Bid	1/19/2021	1/19/2021		Y	03/31/2021	10371.45	4923.51	4923.51	5447.94		NYS	N	N	0	Y		<\$50.000	50000.00		122 NOXON ROAD		POUGHKEEPSIE	NY	12603	2940	USA	
JACKSON LEWIS, P.C.	37357	Services rendered regarding Local 210 Neg. and 32 BJ NEG. (M	Completed	Legal Services	Authority Contract - Non-Competitive Bid	2/9/2021	2/9/2021		Y	03/31/2021	5319.88	0.00	0.00	5319.88		Foreign	N	N	0	Y		<\$50.000	157100.00		BANK OF AMERICA LOCKBOX S	BOX 416019,MA5	DORCHESTER	MA	02125		USA	