

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS RELATED TO INVESTMENT
GUIDELINES FOR PUBLIC AUTHORITIES**

June 28, 2012

To the Commissioners of
Rochester-Genesee Regional Transportation Authority:

We have audited the financial statements of the Rochester-Genesee Regional Transportation Authority and each of its blended component units (the "Authority", a New York State public benefit corporation, which is a component unit of the State of New York) as of and for the year ended March 31, 2012, and have issued our report thereon dated June 21, 2012.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance with the requirements of laws, regulations, contracts and grants applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with its own investment policy as well as the State Comptroller's Investment Guidelines for Public Authorities. 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 scope of our testing is described in the following paragraph.

We confirmed, directly with the Authority's custodial banks, individual investments outstanding at March 31, 2012. (Total investments at March 31, 2012 were \$53,157,072.) A selection of investment transactions from throughout the year was also tested for compliance with investment procedures established by the Authority.

The results of our tests indicate that, with respect to the items tested, the Authority complied in all material respects with the Authority's own investment policy as well as the applicable State Comptroller's Investment Guidelines for Public Authorities. With respect to the items not tested, nothing came to our attention that caused us to believe that the Authority had not complied, in all material respects, with those provisions.

This report is intended solely for the information and use of management, the Board of Commissioners, and the New York State Comptroller and is not intended to be and should not be used by anyone other than those specified parties.

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