



STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

January 18, 2007

Mr. Joseph L. Bruno  
Senate Majority Leader  
Room 909, Legislative Office Building  
Albany, NY 12247

Mr. Sheldon Silver  
Speaker of the Assembly  
Room 932, Legislative Office Building  
Albany, NY 12248

Re: New York State Sports Authority  
Report 2006-S-45

Dear Mr. Bruno and Mr. Silver:

According to the State Comptroller's authority as set forth in Article V, Section 1, of the State Constitution; and Article II, Section 8, of the State Finance Law, we audited the New York State Sports Authority (Authority). Our audit covered the period from the Authority's inception in June 1973 through October 19, 2006.

**A. Background**

The Authority was created on June 14, 1973, pursuant to Chapter 746 of the Laws of 1973. The Authority was created to promote the further development of recreational opportunities in the State by facilitating the acquisition, construction, and rehabilitation of sports complexes, stadiums, arenas, and related facilities where professional and amateur athletic events could be held, thus providing a means of attracting and locating major professional team franchises in New York. Title 19, Section 2463(7), of the Public Authorities Law indicates that the Authority shall continue to exist so long as it has bonds or other obligations outstanding and until its existence is terminated by law.

**B. Audit Scope, Objective, and Methodology**

The objective of our performance audit was to determine whether there is a continued need for the Authority. Our audit covered the period from June 14, 1973 through October 19, 2006. To accomplish our audit objective, we contacted the Governor's Office and reviewed New York State budget bills approved for the Authority since its creation in 1973, as well as any appropriations

awarded to the Authority. From the New York State Library, we obtained copies of Authority-related legislation and executive orders and reviewed them.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to assess those operations which are included in our audit scope. Further, these standards require that we understand the Authority's internal control structure and its compliance with those laws, rules and regulations that are relevant to the operations included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records, and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments, and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendation.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State, several of which are performed by the Division of State Services. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these management functions do not affect our ability to conduct independent audits of program performance.

### **C. Results of Audit**

The Authority was created in 1973 as a means of promoting the further development of recreational opportunities in the State by facilitating the acquisition, construction, and rehabilitation of sports complexes, stadiums, arenas, and related facilities where professional and amateur athletic events could be held, thus providing a means of attracting and locating major professional team franchises in New York State.

According to Title 19, the Authority consists of five members appointed by the Governor, by and with the advice and consent of the New York Senate. Officials in the Governor's Office of Appointments told us that no appointments have been made to this Authority since at least 1995, when records were first entered in their appointment data base.

When we reviewed the budget bills approved over the Authority's 33-year history, we noted that it initially received some appropriations for fiscal years 1973-79, but that none have been awarded since that time. We also determined that the Authority has no outstanding bonds.

Therefore, we conclude that the Authority is inactive and recommend that the Legislature act to dissolve it.

**Recommendation**

*Dissolve the New York State Sports Authority by repealing Title 19, Section 2463(7), of the Public Authority Law.*

Draft copies of this report were provided to the Legislature for comment. No comments were received. Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Legislature shall report to the Governor and the State Comptroller, advising what steps were taken to implement the recommendation contained herein, and if not implemented, the reason therefor.

Major contributors to this report were Cindi Frieder, Christine Rush, Holly Thornton, and Sarah Purcell.

Very truly yours,

Frank J. Houston  
Audit Director

cc: Ms. Lisa Ng, Division of the Budget