

**NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY
FINANCIAL REPORT
MARCH 31, 2009**

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New York State Olympic Regional Development Authority

Kevin J. McCoy
Thomas W. Donovan
Frank S. Venezia
James E. Amell
Carol A. Hausamann
Benjamin R. Lasher
Daniel J. Litz

We have audited the accompanying financial statements of the New York State Olympic Regional Development Authority (the Authority), a component unit of New York State, as of and for the years ended March 31, 2009 and 2008. These financial statements are the responsibility of the New York State Olympic Regional Development Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New York State Olympic Regional Development Authority as of March 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2009 on our consideration of the Authority'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.



The management discussion and analysis on pages A1-A11 and the schedules of funding progress for the retiree health plan on page C2 are not required parts of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page C1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Marvin and Company, P.C.

June 25, 2009

New York State Olympic Regional Development Authority

Management Discussion and Analysis

Within this section of the New York State Olympic Regional Development Authority's (ORDA's) annual financial report, the Authority's management provides narrative discussion and analysis of the financial activities of ORDA for the fiscal year ended March 31, 2009. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

- ORDA's assets exceeded its liabilities by \$51,804,282 as of March 31, 2009. This compares to the previous year, when assets exceeded liabilities by \$54,613,057.
- Total net assets are comprised of the following:
 - (1) Investment in capital assets of \$61,664,825, which includes property and equipment, the nets of accumulated depreciation and related debt, and a reduction of outstanding debt related to the purchase or construction of capital assets.
 - (2) Unrestricted net assets of (\$9,860,543) representing the excess of non-capital expenses over revenue since the inception of ORDA.

Overview of Financial Statements

The basic financial statements include the balance sheets, statements of revenues, expenses and changes in net assets, statements of cash flows and notes to the financial statements. ORDA also includes in this report additional information to supplement the basic financial statements.

The first of these statements is the *Balance Sheet*. This is the statement of financial position presenting information that includes all of ORDA's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall economic health of the Authority must include other non-financial factors such as the condition of ORDA's property and equipment, and the economic picture of the State and the Nation, in addition to the financial information provided in this report.

The second statement is the *Statement of Revenues, Expenses and Changes in Net Assets*, which reports how the Authority's net assets changed during the current and previous fiscal year. Revenues and expenses are included when earned or incurred, regardless of when cash is received or paid. An important purpose of the design of this statement is to show the Authority's financial reliance on the distinct activities related to each of the venues, and revenues provided by our sponsors, the State of New York, and the Town of North Elba.

The third statement is the *Statement of Cash Flows*, which shows the sources and uses of cash. For the fiscal year ending March 31, 2009, operating activities provided cash of \$4,298,387, net cash used by capital and related financing activities was \$3,163,895 and investing activities provided cash of \$59,391, resulting in a net increase in cash and cash equivalents of 1,193,883 for the fiscal year. Cash and cash equivalents at the beginning of the year were \$1,178,584, while at the end of the year, cash and cash equivalents were \$2,372,467.

This statement also presents the reconciliation of net loss from operations of \$9,306,145, (including depreciation of \$6,953,499) to net cash provided by operating activities of \$4,298,387.

The accompanying *Notes to the Financial Statements* provide information essential to a full understanding of the financial statements.

Financial Analysis of the Authority

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Authority as a whole.

ORDA's net assets at fiscal year-end are \$51,804,282. This is a \$2,808,775 decrease from last year's net assets of \$54,613,057. The following table provides a summary of the Authority's assets, liabilities and net assets:

Summary of Net Assets

	Totals		Amount of Change	% Change
	2009	2008		
Current Assets	\$ 8,467,857	\$ 14,370,678	\$ (5,902,821)	-41.08%
Capital Assets	72,431,362	67,994,801	\$ 4,436,561	6.52%
Total Assets	<u>\$ 80,899,219</u>	<u>\$ 82,365,479</u>	\$ (1,466,260)	-1.78%
Current Liabilities	\$ 8,047,964	\$ 10,725,128	\$ (2,677,164)	-24.96%
Other Liabilities	21,046,973	17,027,294	\$ 4,019,679	23.61%
Total Liabilities	<u>\$ 29,094,937</u>	<u>\$ 27,752,422</u>	\$ 1,342,515	4.84%
Net Assets:				
Invested in capital assets, net of related debt	\$ 61,664,825	\$ 58,719,132	\$ 2,945,693	5.02%
Unrestricted net assets	(9,860,543)	(4,106,075)	\$ (5,754,468)	140.15%
Total Net Assets	<u>\$ 51,804,282</u>	<u>\$ 54,613,057</u>	\$ (2,808,775)	-5.14%

The Authority reported positive balances in net assets for both fiscal years. Net assets decreased by \$2,808,775 in 2009. The unrestricted deficit increased by \$5,754,468 and working capital decreased by \$3,225,657 compared to the 2008 fiscal year.

Major Events That Impact Financial Results

The major sporting and entertainment events held by the Olympic Authority that impacted financial results were:

- **Lake Placid Freestyle Skating Championships**
- **Lake Placid Ice Dance Championships – Web Cast**
- **Smucker’s Stars on Ice - Televised**
- **Junior Nationals Figure Skating – Web Cast**
- **World Championship Luge - Televised**
- **World Championship Bobsleigh/Skeleton- Televised**
- **Bo-Dyn Bobsled Challenge - Televised**
- **ISI Figure Skating Competition**
- **New Year’s Ski Jump**
- **Lake Placid Loppet**
- **Nature Valley Freestyle Grand National - Televised**
- **Empire State Games – Televised**
- **Intercontinental Cup Skeleton**
- **Noram Alpine Finals**
- **NCAA /Division 3 Men’s Hockey Championships**
- **America’s Cup Bobsleigh/Skeleton**

Revenues, Expenses and Changes in Net Assets

ORDA's operating revenue decreased by \$1,311,547, due to a lack of natural snow mid way through the winter, decrease in appropriations, certain financial climates and an increase in the Canadian exchange rate. The two ski centers, Whiteface and Gore Mountains, are the source of about 54 % of ORDA's operating revenue. Capital improvements made at the ski areas over the last several years have resulted in increased skier visits. For most of the past ten years, Whiteface has been ranked first and second in eastern North America by the readers of Ski Magazine. In December of 2007, Conde Nast Traveler Magazine rated Whiteface the number four resort in North America. Gore Mountain's, "The Rumor" was featured as "One of the All-Time, Undisputed Absolute Best Trails" by Ski Magazine in October 2004. The new Combined Bobsled/Luge/Skeleton track at the Olympic Sports Complex, generates more revenue every year, and touts the reputation of having the longest season in the world.

Operating expenses increased by \$1.7 million, resulting in an operating loss that was about \$3.1 million more in fiscal year 2009 compared to fiscal year 2008. This is in part due to a new operating expense that has been added to ORDA's financial statements: *Postretirement benefits* of \$3,339,160. This is due to a new Government Accounting Standards Board (GASB) ruling that dictates the addition of an actuarial calculation of ORDA's liability regarding health insurance paid to retirees. Further explanation of this expense can be found in a report titled: Postretirement Benefits Other Than Pension Actuarial Valuation For GASB No. 45. ORDA's personal service expense increased by \$411,678, which included contractual increases in wages paid and an increase in payroll added cost (i.e.: health insurance, worker's compensation insurance, retirement expense and accrued health insurance liability). Seeing that the lack of natural snow in February and March was affecting revenue, management took extraordinary steps to decrease personal service expense in fiscal year 2008-2009. New York State cutbacks to ORDA's State appropriation also necessitated cutbacks in personal and non-personal services. Utilities and fuel expense declined by \$721,243, due to a significant decrease in energy consumption, and new, efficient compressors used for snowmaking at the ski centers. In fact, most non-personal expense categories are less compared to the previous year. Event expense is up by about \$480,000 however, due to major world-class events held this winter at the Mt. Van Hoevenburg Olympic Sports Complex.

Graphic presentation on pages A8 – A11 of revenue and expense by venue and type follow to assist the analysis of the Authority's activities for the fiscal year 2009.

Revenue by Source Chart

The Revenue by Source pie chart for 2009 shows that Whiteface continues to be the venue that produces the most revenue at 28%, while Gore Mountain produced 26%, Support from the State of New York was approximately 24%, the Town of North Elba contributes 3%, and the remaining 19% comes from the other venues, the ORDA Store, Corporate Marketing and Sports Development.

Revenue by Venue Graph

Looking at the bar graph labeled Revenue by Source shows that Whiteface Mountain earned about \$1.4 million less in 2009 compared to 2008. Gore Mountain earned almost \$400,000 more this year compared to 2008. Revenue from the Olympic Sports Complex at Mount Van Hoevenberg (OSC) continues to increase every year. In 2009 OSC earned over \$175,000 more than in 2008.

Revenue by Type Graph

The following Graph, Revenue by Type 2009 Compared to 2008 again shows that skiing is ORDA's best revenue producer.

Expense by Type Graph

The Expense by Type graph shows that hourly employees' personal service continues to be one of the Authority's greatest expenses, along with payroll added cost. The large increase in payroll added cost in the last two years is due to a new Government Accounting Standards Board's (GASB) new ruling, called Other Post Retirement Benefits (OPEB). OPEB is an actuarial calculation that estimates what ORDA would pay out to employees and retirees in benefits (accrued vacation time, compensatory time, holiday time, and health insurance after retirement) if ORDA ceased to exist.

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation as of March 31, 2009 and 2008 was \$72,431,362 and \$67,994,801, respectively. The total increase in this net investment at March 31, 2009 was \$4,436,561. Major capital asset additions during the fiscal year included new snow-grooming and snowmaking equipment for both Whiteface and Gore Mountains, new ski trails at both ski centers, a new high speed quad chairlift at Gore Mountain, and a new triple chairlift at Whiteface Mountain, called the Look-out triple.

Long Term Debt

At the end of the fiscal year, the Authority had capital lease obligations of \$14.2 million. Included in the long term debt were a lease of about \$8 million for improvements at both Gore and Whiteface, and a New York Power Authority lease of about \$6 million for the purchase of new energy efficient compressors and new energy efficient snowmaking equipment at the ski centers.

Short Term Debt

The Authority currently has a line of credit of \$5 million, of which \$2,036,279 was outstanding as of March 31, 2009. This line of credit is used to pay expenses incurred for several projects that will ultimately be funded by an Empire State Development Corporation Grant for the proposed new Convention Center at Lake Placid, and projects

that will be ultimately funded by the New York Power Authority for snowmaking at the ski areas. About \$700,000 was used for operations in the 2008-2009 fiscal year.

Economic Environment and Next Year's Forecast

Economic Environment

ORDA's operating results and cash flow are dependent on daily sales, state and local appropriations and corporate sponsorships. The first 3 fiscal quarters rely heavily on appropriations from New York State and the Town of North Elba, while being supplemented by daily sales from venue visitation. The last quarter provides receipts from operations that sustain ORDA for the remainder of the fiscal year.

Given that ORDA relies heavily on fourth quarter sales to sustain the annual budget, its results are highly dependent on winter weather conditions and tourism trends. The 2008-2009 season was fairly strong at the ski centers, considering the lack of natural snow in February and March. While the United States economy is experiencing a down-turn, the Olympic Region seems to be holding its own. Gore visits and receipts were up this year, due to a new pod of trails available for skiing, and Gore's close proximity to the Capital Region. Whiteface revenue and visitors were down compared to last year, but still ahead of two years ago. As well, operations provided numerous opportunities for the public to enjoy the beauty and uniqueness of our facilities. Thousands of youngsters were able to experience the thrill of the Olympic facilities through the programs provided by the Sports Development department.

ORDA remained competitive with other resorts by providing a menu of activities to entice tourists to visit our venues.

Next Year's Forecast

The 2009-2010 year will again be filled with many activities, events and opportunities to experience our facilities. Once again, world events will be staged. Attractive season pass programs and lift ticket schedules are designed to provide value and opportunity for our guests. Modifications to our ticket schedules and resort passes will provide additional revenues for the organization, as will the new photography services that are offered. ORDA will have to continue to be vigilant in regards to operational spending as it is anticipated that fuel, utilities, insurance and retirement costs will continue to increase and support from the state may decrease. Managers and department heads will work together to minimize expenses while at the same time striving to fulfill our mission and provide absolute quality experiences for our guests. Discussions regarding sky-rocketing gas prices and how they may affect tourism and the skiing industry are on-going. Marketing plans will be put into place to help alleviate the burden of fuel costs on the skier. ORDA

will continue to provide shuttle buses from Lake Placid to Whiteface Mountain. Other initiatives are being discussed.

Pursuant to a study released in September, 2008, ORDA had a statewide economic impact of \$347 million in the 2007-2008 fiscal year. ORDA's local (Clinton, Essex, Franklin and Warren Counties) economic impact was \$271 million.¹

According to an Economic Impact Study released in April 2007 by the Northern New York Travel and Tourism Research Center, tourism had a total economic impact of \$1.7 billion in the 10 counties of northern New York. \$635 million of this money came from Clinton, Essex, Franklin and Warren Counties.²

ORDA's economic impact on the region represents more than one half of the tourism dollars brought to 4 of the counties in the North Country.

Gore Mountain's skiing terrain increased this year with the Burnt Ridge Project. We anticipate the Look-Out Mountain Project at Whiteface Mountain will have the same effect. Both of these projects are geared toward increasing both revenue and customer satisfaction. Aside from the numerous capital projects to be undertaken at our venues, one of the most significant projects is the proposed new Conference Center at Lake Placid. This project is on track and progressing.

Together with the board and staff we anticipate that the upcoming year will provide many opportunities for our guests to experience all that we are mandated to provide.

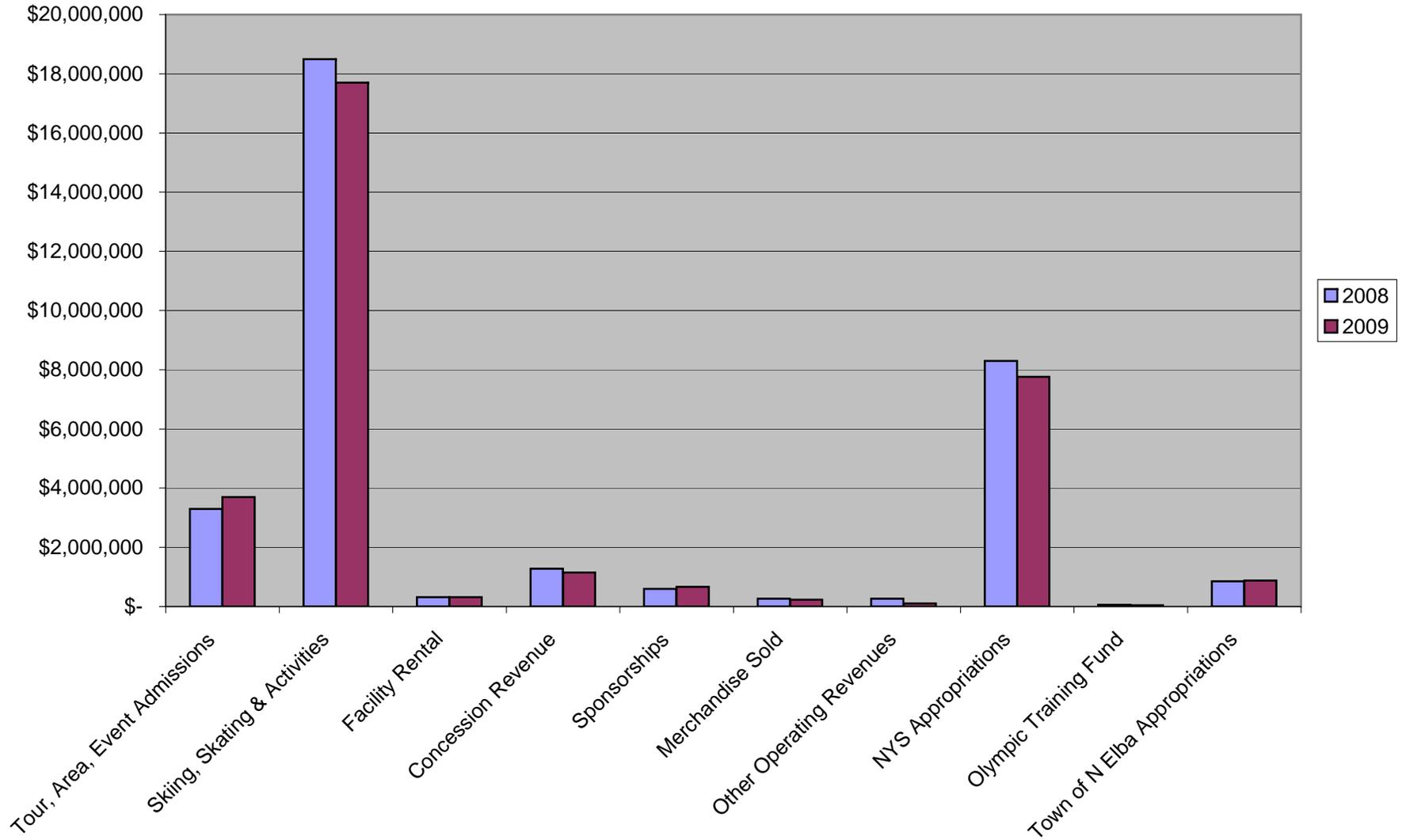
Contacting ORDA's Management

This financial report is designed to provide a general overview of the Authority's finances, comply with finance-related laws and regulations, and demonstrate the Authority's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Kathleen Bushy, Director of Finance at 518 523-1655, extension 217.

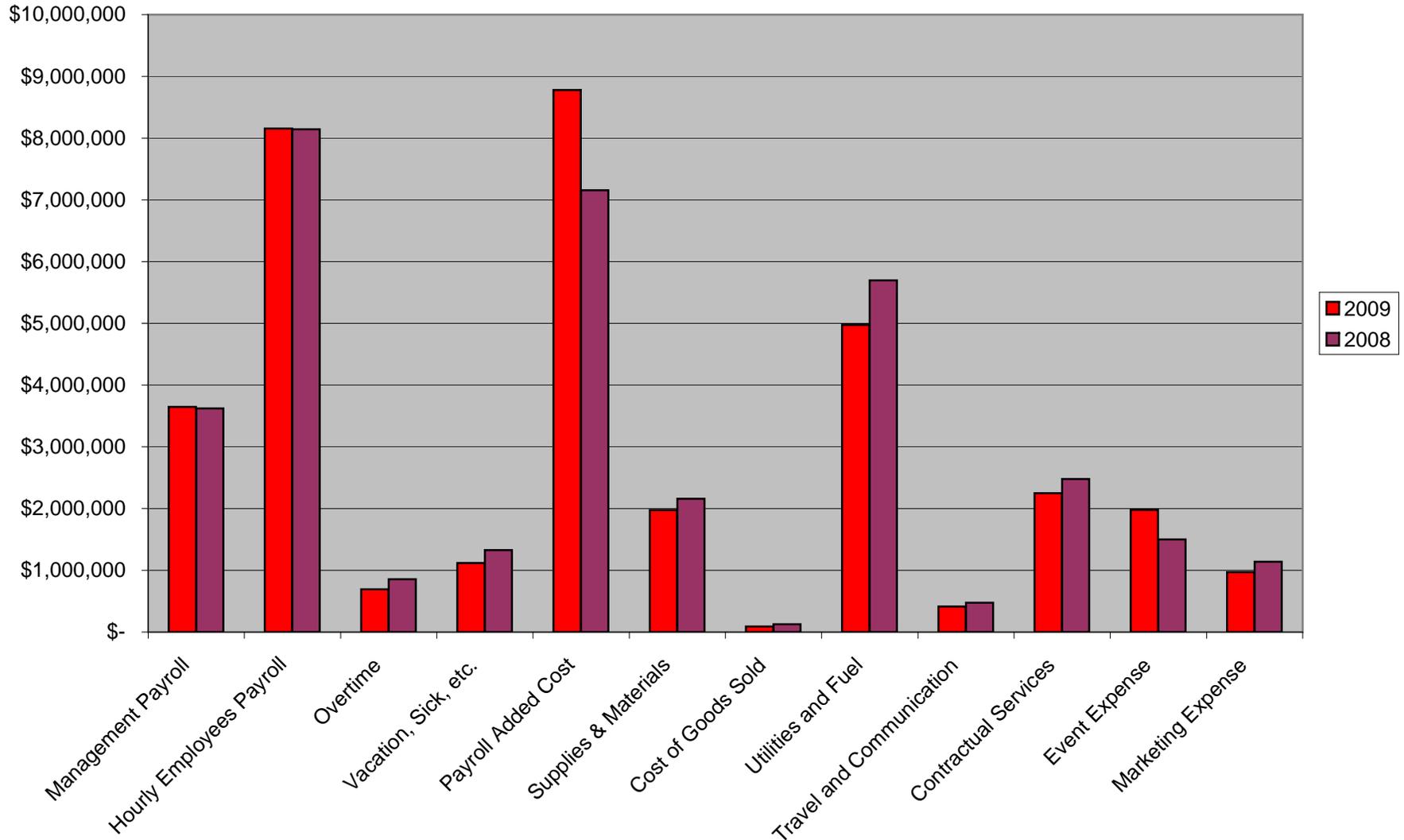
¹ The full text of the Economic Impact Study is available on ORDA's web site at http://www.orda.org/newsite/about/annual_report.php

² The full text of the Economic Impact Study is available at the Northern NY Travel and Tourism Research Center's web site at <http://www.nnytourismresearch.org/reports.asp>

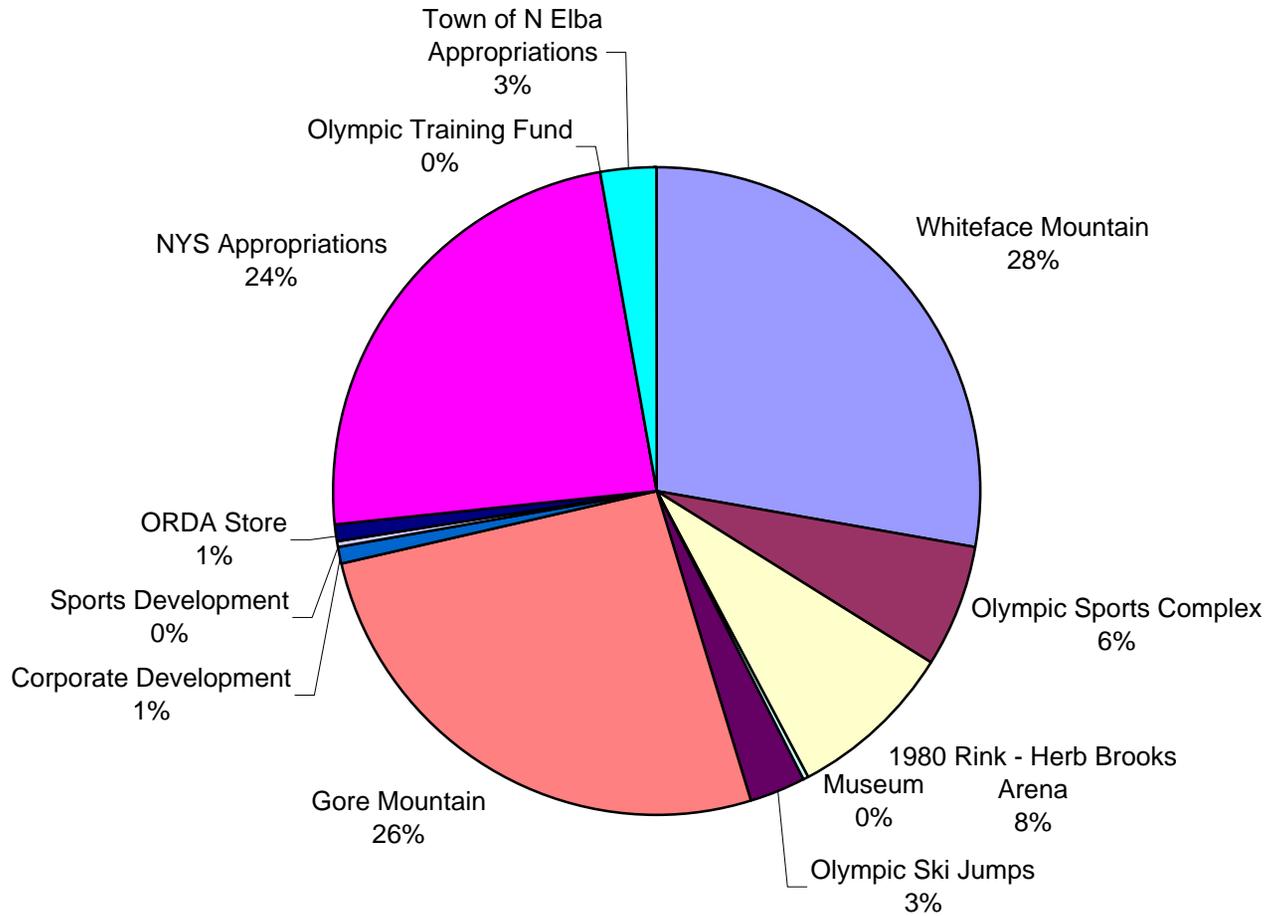
NYS ORDA Revenue By Type 2009 Compared To 2008



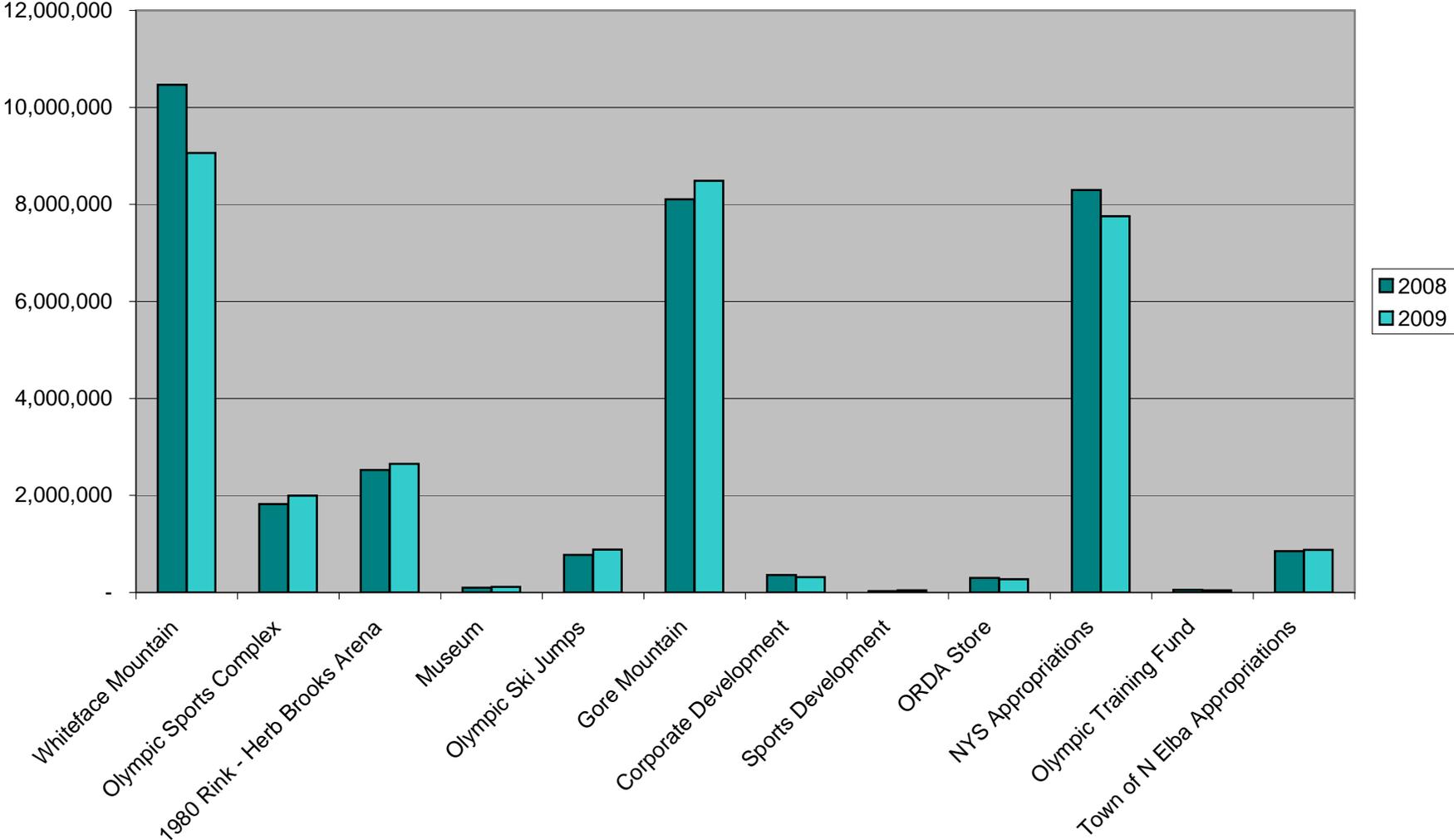
NYS ORDA Expenses By Type 2009 Compared To 2008



NYS ORDA Revenue By Source 2009



NYS ORDA Revenue By Source 2009 Compared To 2008



NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
BALANCE SHEETS
MARCH 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and cash equivalents - unrestricted (Note 4)	\$ 2,372,467	\$ 1,178,584
Cash - restricted (Note 4)	3,267,586	3,805,612
Inventory	69,455	82,565
Accounts receivable, net (Note 5)	2,360,026	8,875,413
Deferred financing costs	173,151	192,351
Prepaid expenses	225,172	236,153
Total Current Assets	8,467,857	14,370,678
Property, Plant and Equipment, Net (Note 7)	72,431,362	67,994,801
TOTAL ASSETS	\$ 80,899,219	\$ 82,365,479

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 2,282,935	\$ 2,896,000
Line of credit payable (Note 10)	2,036,279	4,285,651
Current installments of capital lease obligations (Note 10)	963,187	773,914
Accrued liabilities (Note 9)	2,467,341	2,480,890
Deferred revenue (Note 8)	298,222	288,673
Total Current Liabilities	8,047,964	10,725,128
Other Liabilities		
Capital lease obligations (Note 10)	13,244,087	12,499,718
Due to N.Y.S. Employees' Retirement System (Note 11)	186,517	216,885
Accrued compensated absences (Notes 9 and 12)	2,020,756	2,054,238
Accrued postretirement benefits (Notes 10 and 18)	5,595,613	2,256,453
Total Other Liabilities	21,046,973	17,027,294
Total Liabilities	29,094,937	27,752,422
Net Assets		
Invested in capital assets, net of related debt	61,664,825	58,719,132
Unrestricted	(9,860,543)	(4,106,075)
Total Net Assets	51,804,282	54,613,057
TOTAL LIABILITIES AND NET ASSETS	\$ 80,899,219	\$ 82,365,479

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Earned revenues	\$ 23,180,952	\$ 23,930,238
Sponsorships and in-kind contributions	916,055	953,458
Appropriations - New York State	7,757,944	8,295,216
Appropriations - Town of North Elba	876,354	850,830
Olympic Training Fund	43,266	56,376
Total Operating Revenues	<u>32,774,571</u>	<u>34,086,118</u>
Operating Expenses		
Personal services	18,657,504	18,245,826
Postretirement benefits	3,339,160	2,256,453
Utilities and fuel	4,973,893	5,695,136
Fees, dues	444,211	333,299
Marketing expense	973,122	1,140,861
Event related costs	1,980,473	1,499,933
Contractual services	1,799,051	2,141,218
Supplies and materials	1,975,735	2,160,483
Cost of goods sold	88,143	128,629
Communications	214,830	228,972
Travel and lodging	199,113	245,386
Bad debts	7,619	3,851
Amortization	19,200	-
Impairment construction in progress	455,163	-
Depreciation	6,953,499	6,254,467
Total Operating Expenses	<u>42,080,716</u>	<u>40,334,514</u>
Operating Loss	<u>(9,306,145)</u>	<u>(6,248,396)</u>
Non-Operating Revenues (Expenses)		
Interest income	31,089	179,715
Interest expense	(632,152)	(499,812)
Restricted interest	28,302	65,238
Total Non-Operating Revenue (Expenses)	<u>(572,761)</u>	<u>(254,859)</u>
Loss Before Capital Contributions	<u>(9,878,906)</u>	<u>(6,503,255)</u>
Capital Contributions		
Appropriations - New York State	2,825,000	150,000
New York State ESD	4,039,563	8,723,129
Other	205,568	1,052,155
Total Capital Contributions	<u>7,070,131</u>	<u>9,925,284</u>
Increase (Decrease) in Net Assets	(2,808,775)	3,422,029
Net Assets, Beginning of Year	<u>54,613,057</u>	<u>51,191,028</u>
Net Assets, End of Year	<u>\$ 51,804,282</u>	<u>\$ 54,613,057</u>

See accompanying notes to financial statements.

B2.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 26,917,784	\$ 20,660,186
Payments to employees	(15,095,823)	(15,407,416)
Payments to suppliers	(16,201,138)	(15,335,672)
State and local appropriations	8,677,564	9,202,422
Net Cash Provided (Used) By Operating Activities	<u>4,298,387</u>	<u>(880,480)</u>
Cash Flows From Capital and Related Financing Activities		
State capital appropriations and grants	2,825,000	150,000
Other capital contributions	4,245,131	9,775,284
Change in restricted cash	538,026	(3,805,612)
Change in capital related accounts receivable	3,440,611	(171,289)
Change in capital related accounts payable	(434,909)	(1,078,212)
Additions to property, plant and equipment	(11,845,223)	(16,538,040)
Net proceeds (repayments) of the line of credit	(2,249,372)	237,411
Principal paid on capital lease obligations	(450,032)	(289,766)
Proceeds from capital lease obligations	1,383,674	13,419,536
Deferred financing costs	-	(192,351)
Interest paid on debt	(616,801)	(444,531)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(3,163,895)</u>	<u>1,062,430</u>
Cash Flows From Investing Activities		
Restricted interest	28,302	65,238
Interest income	31,089	179,715
Net Cash Provided by Investing Activities	<u>59,391</u>	<u>244,953</u>
Net Increase in Cash and Cash Equivalents	1,193,883	426,903
Cash and Cash Equivalents, Beginning of Year	<u>1,178,584</u>	<u>751,681</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,372,467</u>	<u>\$ 1,178,584</u>
Reconciliation of Net Loss From Operations to Net Cash Provided (Used) By Operating Activities		
Operating loss	\$ (9,306,145)	\$ (6,248,396)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Amortization	19,200	-
Impairment loss	455,163	-
Depreciation	6,953,499	6,254,467
Bad debts	7,619	3,851
(Increase) decrease in assets:		
Inventory	13,110	18,303
Accounts receivable	3,067,157	(4,041,918)
Prepaid expenses	10,981	(89,717)
Increase (decrease) in liabilities:		
Accounts payable	(178,156)	559,858
Accrued liabilities and compensated absences	(92,750)	234,863
Accrued postretirement benefits	3,339,160	2,256,453
Deferred revenue	9,549	171,756
Net Cash Provided (Used) By Operating Activities	<u>\$ 4,298,387</u>	<u>\$ (880,480)</u>
Schedule of Non-Cash Capital and Financing Activities		
Equipment acquired through capital lease	<u>\$ -</u>	<u>\$ 155,035</u>

See accompanying notes to financial statements.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity and Operations

The New York State Olympic Regional Development Authority (the Authority) was created under Title 28 of the Public Authorities Law as a public benefit corporation on June 10, 1981 to operate, manage and maintain the Olympic facilities in and around Lake Placid, New York. The Authority assumed operation of the facilities at Whiteface Mountain Ski Center and Memorial Highway and the Mount Van Hoevenberg Recreation Area on October 4, 1982 under an agreement with the New York State Department of Environmental Conservation (the Department). The Authority assumed operation of the arena complex, the speed skating oval and the Intervale ski jump complex on October 13, 1982 under agreement with the Town Board of the Town of North Elba, as Trustee for the Town of North Elba Public Parks and Playgrounds District (the Park District). On April 1, 1984, the Authority entered into an agreement with the Department to operate, manage and maintain the Gore Mountain Ski Center (Gore). For State accounting purposes, the Authority is a component unit of the State and is included in its comprehensive annual financial report.

Basis of Accounting

In accordance with the current standards of the Governmental Accounting Standards Board, the Authority's financial statements have been presented as a proprietary fund in this report. All revenues and expenses are recorded on the accrual basis. Operating revenues include user and spectator fees, rentals, fees per agreements with various concessions located at the Olympic facilities, appropriations from the State of New York and local governments and miscellaneous revenues. Non-operating revenues include investment income.

Revenue Recognition

Appropriations from the State and from the Park District are required by statute; appropriations are recognized in the fiscal year of appropriation.

Event revenues, including sponsorships, are recognized when the related event takes place. General sponsorship agreements are recognized over the period of the contracts.

In-kind contributions, which are clearly measurable, are recorded as revenue at their fair market value on the date they are received. In turn, they are recorded as an expense in the period they are used. See Notes 2 and 3 for donated facilities and services.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventory

Inventory consists of donated and purchased supplies and materials. Purchased inventory is recorded at the lower of cost or market using the FIFO basis; donated inventory is recorded at the estimated fair value at the time of donation.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable

Accounts receivable are reported net of an allowance for uncollectible accounts. Bad debt expense was \$7,619 and \$3,851 for the years ended March 31, 2009 and 2008, respectively.

Deferred Financing Costs

Deferred financing costs consist of financing fees and expenses associated with the capital lease agreement with the New York Power Authority. These fees and expenses are amortized on a straight line basis over the term of the lease. Amortization expense is expected to be \$19,200 in each of the next five years.

Property, Plant and Equipment, and Depreciation

Property, plant and equipment are stated at cost. Expenditures for renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line and declining balance methods over the following estimated useful lives:

	<u>Years</u>
Property and Plant	20-40
Equipment, Furniture and Vehicles	3-10

Use of Estimates

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

Significant estimates used in preparing these financial statements include the calculation of accrued sick pay, the estimated useful lives of property and equipment used to calculate depreciation and the estimated value of the net OPEB obligation. It is at least reasonably possible that the significant estimates used will change within the next year.

Reclassifications

Certain 2008 amounts have been reclassified to conform to 2009 financial statement presentation.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

2. DONATED USE OF FACILITIES

Generally accepted accounting principles require that the donated use of facilities be recorded as a contribution at its estimated fair value at the time received if the organization has a clearly measurable and objective basis for determining the value. The agreements with the State and the Park District permit the Authority to use, operate, maintain and manage the facilities in existence at the Authority's inception, including the personal property and equipment used solely in connection therewith. The amounts reported as property, plant and equipment in the accompanying balance sheets include only those assets purchased by the Authority.

Title to facilities and equipment originally owned by the State and Park District does not pass to the Authority. The facilities, equipment and additions and improvements thereto revert back to the State and the Park District, respectively, at the end of the terms of the agreements. There was no clearly measurable basis for determining the value of the facilities and equipment used by the Authority and, therefore, the assets and the related depreciation expense or a contribution and related rental expense are not reflected in these financial statements.

3. DONATED SERVICES

During the years ended March 31, 2009 and 2008, the recorded value of donated ski patrol services were approximately \$256,000 and \$316,000, respectively.

No other donated services have been reflected in the financial statements.

4. CASH AND CASH EQUIVALENTS

The Authority's investment policies are governed by State statutes. In addition, the Authority has its own written investment policy. Authority monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Director of Finance or designee is authorized to use demand accounts and certificates of deposit. Permissible investments include federal obligations, overnight repurchase agreements, money market accounts, and certificates of deposit issued by approved financial institutions.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies.

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the Authority's agent in the Authority's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the Authority's name, or (3) uncollateralized.

At March 31, 2009, all deposits were fully insured and collateralized by the Authority's agent in the Authority's name.

**NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008**

4. CASH AND CASH EQUIVALENTS

Restricted Cash

Restricted cash consists of amounts held in a project fund in the Authority's name with Manufacturers and Traders Trust Company (M&T) of \$3,259,302. This balance represents unused funds received under a lease agreement with M&T (see Note 10). The funds can only be used to purchase the equipment specified in the agreement. There is also \$8,284 included in restricted cash to be used for the P. Wharton Memorial Scholarship.

5. ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of the following:

	<u>2009</u>	<u>2008</u>
Trade receivables	\$ 1,329,005	\$ 2,094,072
Employee advances	39,349	45,593
Grant receivable	<u>1,000,337</u>	<u>6,744,534</u>
Total	2,368,691	8,884,199
Less allowance for doubtful accounts	<u>8,665</u>	<u>8,786</u>
Accounts Receivable, Net	<u>\$ 2,360,026</u>	<u>\$ 8,875,413</u>

6. SINKING FUND - CAPITAL REPAIRS AND IMPROVEMENTS

Section 2619 of the Public Authorities Law requires the Authority to establish a sinking fund to provide for capital improvements and major repairs to the Olympic facilities. The law requires, among other things, that not less than twenty-five (25) percent of the net profit from operations in the Authority's fiscal year shall be deposited into the sinking fund. The Authority did not have net profits from operations for the years ended March 31, 2009 and 2008, and had no balance in the reserve.

In the event of termination of the Authority, the State and the Park District each would receive fifty (50) percent of all monies in the sinking fund.

7. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment balances for the year ended March 31, 2009 are as follows:

	<u>Balance April 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31</u>
Land	\$ 145,000	\$ -	\$ -	\$ 145,000
Property and plant	95,168,480	16,377,812	-	111,546,292
Equipment, furniture and vehicles	37,499,189	1,511,058	-	39,010,247
Construction in process	<u>8,673,431</u>	<u>11,845,223</u>	<u>18,344,033</u>	<u>2,174,621</u>
Total	141,486,100	29,734,093	18,344,033	152,876,160
Less accumulated depreciation	<u>73,491,299</u>	<u>6,953,499</u>	<u>-</u>	<u>80,444,798</u>
Net	<u>\$ 67,994,801</u>	<u>\$ 22,780,594</u>	<u>\$ 18,344,033</u>	<u>\$ 72,431,362</u>

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

7. PROPERTY, PLANT AND EQUIPMENT

The deletions column includes the removal of the impaired asset relating to the Convention Center construction which is still in process.

8. DEFERRED REVENUE

	<u>2009</u>	<u>2008</u>
General and event sponsorships	\$ 128,034	\$ 123,500
Advance ticket sales	166,020	161,005
Toll house repair	4,168	4,168
Total	<u>\$ 298,222</u>	<u>\$ 288,673</u>

9. ACCRUED LIABILITIES

	<u>2009</u>	<u>2008</u>
Accrued wages	\$ 797,103	\$ 809,155
Compensated absences (Note 12)	3,052,111	3,038,769
Current portion of:		
Accrued retirement (Note 11)	30,368	30,369
Payroll taxes and withholdings	85,621	89,950
Accrued interest	70,632	55,281
Other	51,009	110,351
Pension savings recovery due to State	<u>401,253</u>	<u>401,253</u>
Subtotal	4,488,097	4,535,128
Less non-current portion of compensated absences	<u>2,020,756</u>	<u>2,054,238</u>
Total	<u>\$ 2,467,341</u>	<u>\$ 2,480,890</u>

10. NOTES PAYABLE, CAPITAL LEASE OBLIGATIONS AND LONG-TERM DEBT

Line of Credit

The Authority maintains a line of credit agreement with Citizens Bank, which expires December 30, 2009. In 2009, the amount available was \$5,000,000 with interest paid monthly on outstanding borrowings at 3.06%. In 2008, the amount available was \$7,000,000 with interest paid monthly on outstanding borrowings at 5.75%. The outstanding balances (including accrued interest) at March 31, 2009 and 2008 were \$2,036,279 and \$4,285,651, respectively. Outstanding balances are secured by assets of the Authority. Borrowings on the credit line are used primarily to pay employees and vendors when operating receipts are not sufficient.

**NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008**

10. NOTES PAYABLE, CAPITAL LEASE OBLIGATIONS AND LONG-TERM DEBT

Long-Term Debt

	Balance			Balance
	<u>April 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>March 31</u>
Capital lease obligations (A)	\$ 13,273,632	\$ 1,383,674	\$ 450,032	\$ 14,207,274
Due to NYS and Local Employee Retirement System (Note 11)	216,885	-	30,368	186,517
Compensated Absences (B)	2,054,238	-	33,482	2,020,756
Postretirement benefits (Note 18)	<u>2,256,453</u>	<u>3,339,160</u>	<u>-</u>	<u>5,595,613</u>
	<u>\$ 17,801,208</u>	<u>\$ 4,722,834</u>	<u>\$ 513,882</u>	<u>\$ 22,010,160</u>

(A) Obligations Under Capital Lease

The Authority leases equipment under capital leases expiring during 2018. The asset and liability under capital leases are recorded at the present value of the minimum lease payments. The effective interest rates for the leased equipment range from 4.3 - 5.20%. The assets under capital leases are included in the accompanying balance sheets. Depreciation of assets under capital leases is included in depreciation expense.

The Authority financed the purchase of \$8 million of equipment with Manufacturers and Traders Trust Company (M&T). Semi-annual payments are \$417,980 through August 2017, with interest fixed at 4.3%.

The Authority financed the purchase of \$1.2 million of equipment with M&T. Semi-annual payments are \$80,840 through August 2017, with interest fixed at 4.3%.

Both M&T leases require that the Authority maintain a debt service coverage ratio of at least 1.00 to 1.00. The Authority was in compliance with this covenant as of March 31, 2009 and 2008.

The Authority financed the purchase of equipment with leases through Alliance Leasing, Inc. Monthly payment amounts are \$952.81 and \$1,248.60 through January 2015 including interest fixed at 5.2%.

Equipment purchases were financed through the New York Power Authority (NYPA). Payments are made monthly at \$34,379 through August 2023 with interest at 1.92%.

The Authority has not received all funding under the NYPA and M&T leases as all purchases of equipment were not yet made at March 31, 2009.

**NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008**

10. NOTES PAYABLE, CAPITAL LEASE OBLIGATIONS AND LONG-TERM DEBT

Long-Term Debt

(A) Obligations Under Capital Lease

The following is a schedule, by years, of future minimum lease payments under leases which are classified as capital leases, together with the present value of the net minimum lease payments as of March 31, 2009.

2010	\$ 1,436,610
2011	1,436,610
2012	1,436,610
2013	1,436,610
2014	1,436,610
2015 and thereafter	<u>9,934,823</u>
Total minimum lease payments	\$ 17,117,873
Less amount representing interest	<u>2,910,599</u>
Present Value of Net Minimum Lease Payments	<u>\$ 14,207,274</u>

Leased equipment is summarized as follows:

	<u>2009</u>	<u>2008</u>
Equipment	\$ 14,851,259	\$ 9,298,002
Less accumulated depreciation	<u>573,803</u>	<u>37,885</u>
Net Leased Property	<u>\$ 14,277,456</u>	<u>\$ 9,260,117</u>

The Authority has not completed purchasing equipment for which debt has been recorded and cash received, resulting in the present value of net minimum lease payments being greater than equipment. See Restricted Cash under Note 4.

- (B) Additions and deletions to compensated absences is shown net since it is impractical to determine these amounts separately. See Note 12.

11. RETIREMENT PLAN

General Information

The Authority participates in the New York State and Local Employees' Retirement System (the System). The System is a cost sharing multiple employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

**NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 MARCH 31, 2009 AND 2008**

11. RETIREMENT PLAN

General Information

Plan Descriptions

The New York State and Local Employees' Retirement System 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 (Comptroller serves as sole trustee and administrative head of the System) shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System 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, State Office Building, Albany, New York 12244.

Funding Policies

The System is noncontributory except for employees with less than 10 years of service who contribute 3% of their salary. 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 accumulation fund.

The Authority is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

2009	\$	773,951
2008		714,724
2007		797,427

The Authority's contributions made to the System were equal to 100 percent of the contributions required for each year.

Pursuant to Chapter 49 of the Laws of 2003 Maximum Amortization Amount, payments which would have been paid by February 1, 2005, allows payments to be made on a current basis, while amortizing existing unpaid amounts over a 10-year period, with an 8% interest factor added. The total unpaid liability at the end of the fiscal year was \$216,885 of which \$30,368 is included in accrued liabilities and \$186,517 in long-term debt.

12. COMPENSATED ABSENCES

Employees of the Authority are entitled to paid vacation and paid holidays depending on job classification, length of service and other factors. The accumulation of vacation hours is subject to a 200 hour limit for union employees and a 300 hour limit for non-union management/confidential employees. The limits are determined on a calendar year basis. Unused holiday time accrues without limit. The accrued value of vacation and holiday time and salary related payments at March 31, 2009 and 2008 is \$994,080 and \$954,045, respectively.

**NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008**

12. COMPENSATED ABSENCES

Sick days are forfeited upon termination, but may be used at retirement to pay health insurance premiums. The Authority recognizes a liability for vested sick leave for employees who, at the balance sheet date, currently are eligible to convert vested sick leave to the retiree's portion of health insurance premiums as well as other employees who are expected to become eligible in the future to convert such leave.

The liability for sick leave is calculated at rates in effect as of the balance sheet date. The liability at March 31, 2009 and 2008 is \$2,058,031 and \$2,084,724, respectively.

13. RELATED PARTY DISCLOSURES

The Authority is a component unit of the State of New York. Accrued liabilities and other liabilities include the following amounts due to other New York State Agencies.

Accrued Liabilities and Other Liabilities:

		<u>2009</u>		<u>2008</u>
New York State and Local Employees' Retirement System	\$	216,885	\$	247,254
New York State General Fund Pension Savings Recovery		401,253		401,253

The Authority purchased various services which totaled approximately \$146,100 and \$176,400 during the years ended March 31, 2009 and 2008, respectively, from businesses owned by board members. These businesses also sell tickets to the various Authority venues under a voucher system. Included in total Accounts Payable and Accounts Receivable for 2009, were \$6,067 and \$30,008, respectively, relating to these businesses.

14. CAPITAL APPROPRIATIONS, GOVERNMENT GRANTS AND RESTRICTED FUNDS

NYS Capital Appropriations and Grants

The Authority received capital appropriations and grants from the State and State Agencies to fund various capital and other projects related to Health and Safety, and Preservation and Improvement of Facilities. The funds were expended for property and plant, equipment and construction in process of \$7,113,397 and \$9,980,691 for the years ended March 31, 2009 and 2008, respectively.

15. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased commercial insurance for all risk above minimal deductible amounts. Settled claims have not exceeded the commercial coverage by any material amounts during the years ended March 31, 2009 and 2008. There was no reduction in insurance coverage during the year ended March 31, 2009.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

16. LITIGATION

The Authority is a defendant in several lawsuits resulting primarily from operations of the ski areas. The damages alleged in these lawsuits total several million dollars. The lawsuits are being defended by the State of New York Department of Law at no cost to the Authority. However, to the extent that the Authority is not covered by insurance, the Authority shall be held harmless by the State for any and all claims for damages or injuries arising out of the operation by the Authority of any participating Olympic facility owned by the State. The Authority purchases commercial insurance coverage to protect against claims arising out of the operation of the Town owned facilities.

17. COMMITMENTS AND CONTINGENCIES

Service America Corporation Capital Contribution

During 2004, the Authority and Service America Corporation, d/b/a Centerplate (Centerplate) entered into a concessions contract, effective June 1, 2004 through May 31, 2009, for all venues in the Lake Placid and Wilmington regions. As part of the current contract, Centerplate agrees to contribute an additional amount not to exceed \$1,125,000 toward improvements and food service equipment (investments). If the contract is terminated prior to the full amortization (as defined in the contract) of the improvements made, the Authority is required to reimburse Centerplate an amount equal to the unamortized portion of the improvements. As of the date of issuance of these statements, there is a 2-year verbal extension of this agreement.

18. POSTRETIREMENT BENEFITS

Plan Description

The Authority administers the postretirement benefits as a single-employer defined benefit plan (the Plan), through which retirees and their spouses receive benefits. The Plan provides for continuation of medical and/or dental/vision benefits for certain retirees and their survivors and can be amended by action of the Authority subject to applicable collective bargaining and employment agreements. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the Plan members, employers and other contributing entities are established by action of the Authority pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are eligible for the retiree health benefits upon meeting the following requirements: 1) retire from the Authority, 2) enrolled in Authority provided health care at time of retirement and 3) have at least 10 years of service under the New York State Retirement System, of which at least 5 such years must have been with the Authority. The Authority currently funds the plan to satisfy current obligations on a pay-as-you-go basis. During the years ended March 31, 2009 and 2008, approximately \$481,000 and \$325,000 was paid on behalf of 65 and 56 retirees, respectively.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

18. POSTRETIREMENT BENEFITS

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates about the future.

Projection of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the Authority and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Authority and Plan members to that point. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial funding method used to calculate the costs of the Plan is known as the Projected Unit Credit Method. Under this method, the present value of each employee's future retiree health benefit claims costs is allocated over a portion of the employee's employment, the "attribution period." The attribution period for this group begins with the employee's date of employment and ends with the date on which the employee is expected to retire. The accrued liability for active employees is the portion of benefit liability attributed to service years to date. Normal cost is the amount of benefit liability attributed to the current employment year. Normal cost for retired employees is zero. The initial accrued liability is amortized over a 30-year period using the level dollar method. Actuarial gains and losses will be determined annually and amortized over a fixed 15-year period.

The following assumptions were used in the calculation: a) a 3.7% discount rate compounded annually, b) vision/dental annual trend of 5%, c) initial medical cost trend of 9% that is down graded over an 8 year period to an ultimate rate of 6%, d) mortality and employee turnover tables from RP 2000 Combined for mortality and Scale T-3 for employee turnover, e) assumed retirement age of the later of age 60 or date eligible for retiree health benefits, but not more than age 65, f) employee and spousal coverage – current coverage – employees who either (1) are not currently covered by Authority's health plan; or (2) are not in the New York State Retirement System accruing pension credits are not expected to receive health benefits at retirement, spouses – current coverage status is used for assumed coverage at retirement, g) initial per capita claims costs are a weighted average of applicable premium rates charged by the insured health plans in which the Union and Management groups participate, rates are determined on both a community rated and partially experience rated basis, depending on the plan.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

18. POSTRETIREMENT BENEFITS

Annual OPRB Cost and Net OPRB Obligation

The Authority's annual other postretirement benefit (OPRB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table summarizes the Annual OPRB Cost:

	<u>2009</u>	<u>2008</u>
Normal Cost	\$ 1,776,597	\$ 1,168,095
Amortization of Unfunded Actuarial Liability	2,018,488	1,290,575
Interest	<u>140,417</u>	<u>122,934</u>
ARC	3,935,502	2,581,604
Interest on OPRB Obligation	83,489	-
Adjustment to ARC	<u>(198,714)</u>	<u>-</u>
OPRB Expense	<u>\$ 3,820,277</u>	<u>\$ 2,581,604</u>
Net OPRB Obligation at the beginning of the year	\$ 2,256,453	\$ -
OPRB Expense	3,820,277	2,581,604
Net OPRB Contributions made during the fiscal year	<u>(481,117)</u>	<u>(325,151)</u>
Net OPRB Obligation at the end of the year	<u>\$ 5,595,613</u>	<u>\$ 2,256,453</u>
Percentage of Expense Contributed	12.59%	12.59%
<i>Funded Status</i>		
Accrued Liability at end of year	\$ 33,552,357	\$ 22,766,045
Plan Assets at end of year	<u>-</u>	<u>-</u>
Unfunded Accrued Liability	<u>\$ 33,552,357</u>	<u>\$ 22,766,045</u>
Percentage of Funded Accrued Liability	0%	0%

The Net OPRB Obligation at the end of the year is reflected as an operating expense in the accompanying financial statements. Fiscal year 2008 was the year of implementation of GASB Statement No. 45. Therefore, 2007 comparative data is not available. In future years, three-year trend information will be presented.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
SCHEDULES OF PROPERTY, PLANT AND EQUIPMENT BY VENUE
MARCH 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Training Center		
Land	\$ 145,000	\$ 145,000
Property and plant	11,068,864	11,044,841
Construction in process	-	-
Total	<u>11,213,864</u>	<u>11,189,841</u>
Arena and Convention Center		
Property and plant	3,107,094	2,698,893
Equipment, furniture and vehicles	2,911,383	2,799,429
Construction in process	1,904,848	2,526,793
Total	<u>7,923,325</u>	<u>8,025,115</u>
Whiteface		
Property and plant	24,143,047	18,308,845
Equipment, furniture and vehicles	16,290,100	16,014,252
Construction in process	3,075	1,664,885
Total	<u>40,436,222</u>	<u>35,987,982</u>
Mt. Van Hoevenberg		
Property and plant	35,281,539	35,256,100
Equipment, furniture and vehicles	1,124,354	1,099,354
Construction in process	-	-
Total	<u>36,405,893</u>	<u>36,355,454</u>
Intervale		
Property and plant	3,973,392	3,833,432
Equipment, furniture and vehicles	550,154	550,154
Construction in process	125	-
Total	<u>4,523,671</u>	<u>4,383,586</u>
Gore		
Property and plant	33,972,356	24,026,369
Equipment, furniture and vehicles	18,134,256	17,036,000
Construction in process	266,573	4,481,753
Total	<u>52,373,185</u>	<u>45,544,122</u>
Totals	152,876,160	141,486,100
Accumulated Depreciation	<u>80,444,798</u>	<u>73,491,299</u>
Net Property, Plant and Equipment	<u>\$ 72,431,362</u>	<u>\$ 67,994,801</u>

**NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
 MARCH 31, 2009 AND 2008**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
3/31/08	\$ -	\$ 22,766,045	\$ 22,766,045	0%	\$8,572,840	265.5%
3/31/09	-	33,552,357	33,552,357	0%	9,243,931	362.9%

**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**

Kevin J. McCoy
Thomas W. Donovan
Frank S. Venezia
James E. Amell
Carol A. Hausamann
Benjamin R. Lasher
Daniel J. Litz

To the Board of Directors
New York State Olympic
Regional Development Authority

We have audited the financial statements of the New York State Olympic Regional Development Authority (the Authority), as of and for the year ended March 31, 2009, and have issued our report thereon dated June 25, 2009. We conducted our audit in accordance with U.S. 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.

¶

Internal Control Over Financial Reporting

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

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A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority, in a separate letter dated June 25, 2009.

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

Marvin and Company, P.C.

June 25, 2009