

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY
(A Discretely Presented Component
Unit of the State of New York)

Financial Statements and
Independent Auditor's Reports

March 31, 2021

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
New York State Olympic Regional
Development Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of New York State Olympic Regional Development Authority (ORDA) as of and for the year ended March 31, 2021, and the related notes to financial statements, which collectively comprise ORDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to ORDA's preparation and fair presentation of the financial statements 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 ORDA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Prior Period Financial Statements

The financial statements of New York State Olympic Regional Development Authority as of March 31, 2020, were audited by other auditors whose report dated June 30, 2020, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the additional information on pages 35 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2021, on our consideration of ORDA'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 ORDA'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 ORDA's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 25, 2021

NEW YORK STATE OLYMPIC REGIONAL
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Management's Discussion and Analysis

March 31, 2021

Within this section of the New York State Olympic Regional Development Authority's (ORDA's) annual financial report, ORDA's management provides narrative discussion and analysis of the financial activities of ORDA for the year ended March 31, 2021. ORDA's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

- ORDA's net position was \$207,784,376 as of March 31, 2021. The previous year's net position was \$142,302,674.
- Total net position is comprised of the following:
 - Investment in capital assets of \$285,398,142 which includes property and equipment, net of accumulated depreciation and related debt.
 - Unrestricted net position of (\$77,613,766) representing the excess of non-capital expenses over revenue since the inception of ORDA.
- ORDA was able to pay down \$514,000 of the line of credit during the fiscal year 2020/2021 and \$498,522 during the fiscal year 2019/2020.
- ORDA tracked its expenditure of \$2 million in funds for maintenance and operation of its venues under COVID-19. This included items such as safety signage, cleaning supplies, PPE, and labor specific to COVID-19 tasks.

Overview of Financial Statements

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

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

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Management's Discussion and Analysis, Continued

The second statement is the statement of revenue, expenses and changes in net position, which reports how ORDA's net position changed during the fiscal year. Revenue and expenses are included when earned or incurred, regardless of when cash is received or paid. An important purpose of the format of this statement is to show ORDA's financial reliance on the distinct activities related to each of its venues, as well as revenues provided by our sponsors, the State of New York, and 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 ended March 31, 2021, operating activities used \$4,412,724 of cash, net cash provided by municipal financing activities of \$12,782,000, net cash used by capital and related financing activities was \$20,125,022 and investing activities provided cash of \$22, resulting in a net decrease in cash and equivalents of \$11,755,724. Cash and equivalents at the beginning of the year were \$31,978,330, while at the end of the year cash and equivalents were \$20,222,606.

This statement also presents the reconciliation of net loss from operations of \$30,948,684 (including depreciation of \$15,378,458 and loss on disposal of assets of \$172,879) to net cash used in operating activities of \$4,412,724.

The accompanying notes to financial statements provide information essential to a full understanding of the financial statements.

Financial Analysis of ORDA

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

ORDA's net position at fiscal year-end is \$207,784,376. This is a \$65,481,702 increase over last year's net position of \$142,302,674. The following table provides a summary of the elements of ORDA's net position:

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Management's Discussion and Analysis, Continued

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percentage Change</u>
Assets:				
Current assets	\$ 23,236,761	34,044,909	(10,808,148)	-31.75%
Capital assets	<u>288,617,798</u>	<u>202,404,551</u>	<u>86,213,247</u>	42.59%
Total assets	<u>311,854,559</u>	<u>236,449,460</u>	<u>75,405,099</u>	31.89%
Deferred outflows of resources	<u>28,771,785</u>	<u>6,236,713</u>	<u>22,535,072</u>	361.33%
Total assets and dererred outflow resources	<u>340,626,344</u>	<u>242,686,173</u>	<u>97,940,171</u>	40.36%
Liabilities:				
Current liabilities	22,093,010	18,747,862	3,345,148	17.84%
Other liabilities	<u>96,155,218</u>	<u>73,996,191</u>	<u>22,159,027</u>	29.95%
Total liabilities	<u>118,248,228</u>	<u>92,744,053</u>	<u>25,504,175</u>	27.50%
Deferred inflows of resources	<u>14,593,740</u>	<u>7,639,446</u>	<u>6,954,294</u>	91.03%
Total liabilities and deferred inflows of resources	<u>132,841,968</u>	<u>100,383,499</u>	<u>32,458,469</u>	32.33%
Net position:				
Invested in capital assets, net of related debt	285,398,142	198,690,093	86,708,049	43.64%
Unrestricted (deficit)	<u>(77,613,766)</u>	<u>(56,387,419)</u>	<u>(21,226,347)</u>	37.64%
Total net positions	<u>\$ 207,784,376</u>	<u>142,302,674</u>	<u>65,481,702</u>	46.02%

Current assets decreased approximately \$10.8 million; this was the result of timing differences as to when cash was received and invoices ready for payment.

Capital assets increased \$86 million (net) primarily because the State of New York has made a commitment to provide capital funds to improve ORDA's facilities. Major projects during 2020/2021 stretched across all of the venues. These projects included a Mountain Coaster, Zip-Line, three new chairlifts, pumphouse improvements, the Mountain Pass Lodge at Mt. Van Hoevenberg, the Legacy Lodge at Whiteface Mountain and the beginning of revitalization of the Olympic Center.

Deferred outflows, deferred inflows and other liabilities were primarily affected by pension and other postemployment benefit adjustments necessary to comply with generally accepted accounting principles.

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Management's Discussion and Analysis, Continued

Events & Sport

ORDA experienced an unprecedented year that was impacted by national and international travel restrictions due to the COVID-19 pandemic. Many events across the globe, including the 2020 Summer Olympic Games were cancelled, postponed, or abbreviated. Health and safety protocols included capacity restrictions, and athlete isolation became the new standard for event operation.

ORDA was able to maintain all state policies to keep its venues open for training and also deliver a closed-competition schedule for world-class athletes.

The IBSF Bobsled World Cup series stayed in Europe this season, and all North American events for the tour were rescheduled. This included the 2021 World Championship finale scheduled for Lake Placid in February.

Mt Van Hoevenberg was still a major hub of activity for training and competition during the winter season. Team USA and its American athletes were able to train at the venue. Sliding sports, such as Luge, Bobsled and Skeleton utilized the facility for most of the year.

USA Bobsled and Skeleton successfully held their North American Championships at the Lake Placid facility in March, with over 100 of their top development athletes vying for a position on the Olympic Roster.

US Nordic Sports were also able to take advantage of the opportunities at Mt Van Hoevenberg. With over 5K of new competition trails open this winter and by using the summer roller loop trails, USA Biathlon trained year-round. Nordic Combined was able to take advantage of the new frost rail system at the Olympic Jumping Complex with several training sessions held throughout the winter months.

USA Luge athletes not only trained at Mt. Van Hoevenberg all winter but they were able to train year-round at ORDA's expanded Luge start facility located on the campus of the Lake Placid Olympic and Paralympic Training Center. Year-round training, administrative operations and athlete development are programs located at the newly renovated facility.

The Herb Brooks Arena at the Olympic Center was planned to take center stage for a nationally televised professional woman's hockey tournament live on NBC Sports. The January tournament experienced a few setbacks with protocol compliance. After a successful preliminary round of games, the championship was postponed. But, for the first time in over 20 years, professional hockey had returned to the famous 1980 Rink, making headlines around the world.

Despite some of the shortcomings of the 2020-21 competition season, ORDA was able to maintain its positive momentum with increased levels of training hours, athlete development, and venue modernization.

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Management's Discussion and Analysis, Continued

Visitation and Revenue

An unseasonably mild start to the winter delayed the opening of several ORDA facilities until early December. This hampered ORDA's ability to expand terrain as quickly as usual. Accordingly, the number of people the venues could host was also marginalized until more trails opened, given capacity constraints in effect for COVID-19.

ORDA's 2020-2021 sporting activities revenue outperformed the prior year by approximately 7%, for a total sales increase of \$2 million. Income streams were managed with higher margins, and a vertically integrated E-commerce platform allowed for ORDA to leverage a dynamic pricing model.

Operational requirements included capacity controls, indoor limitations, contact tracing database development and changes to the F&B and ski school divisions. But despite the new COVID-19 protocols, ORDA's ski areas realized a very successful year with revenue increases in many key product sets including weekday ticket sales, season pass sales, frequent skier cards and online advanced sales. This shift in revenue was key to ORDA's total increases and created predictable arrival data for efficient operation.

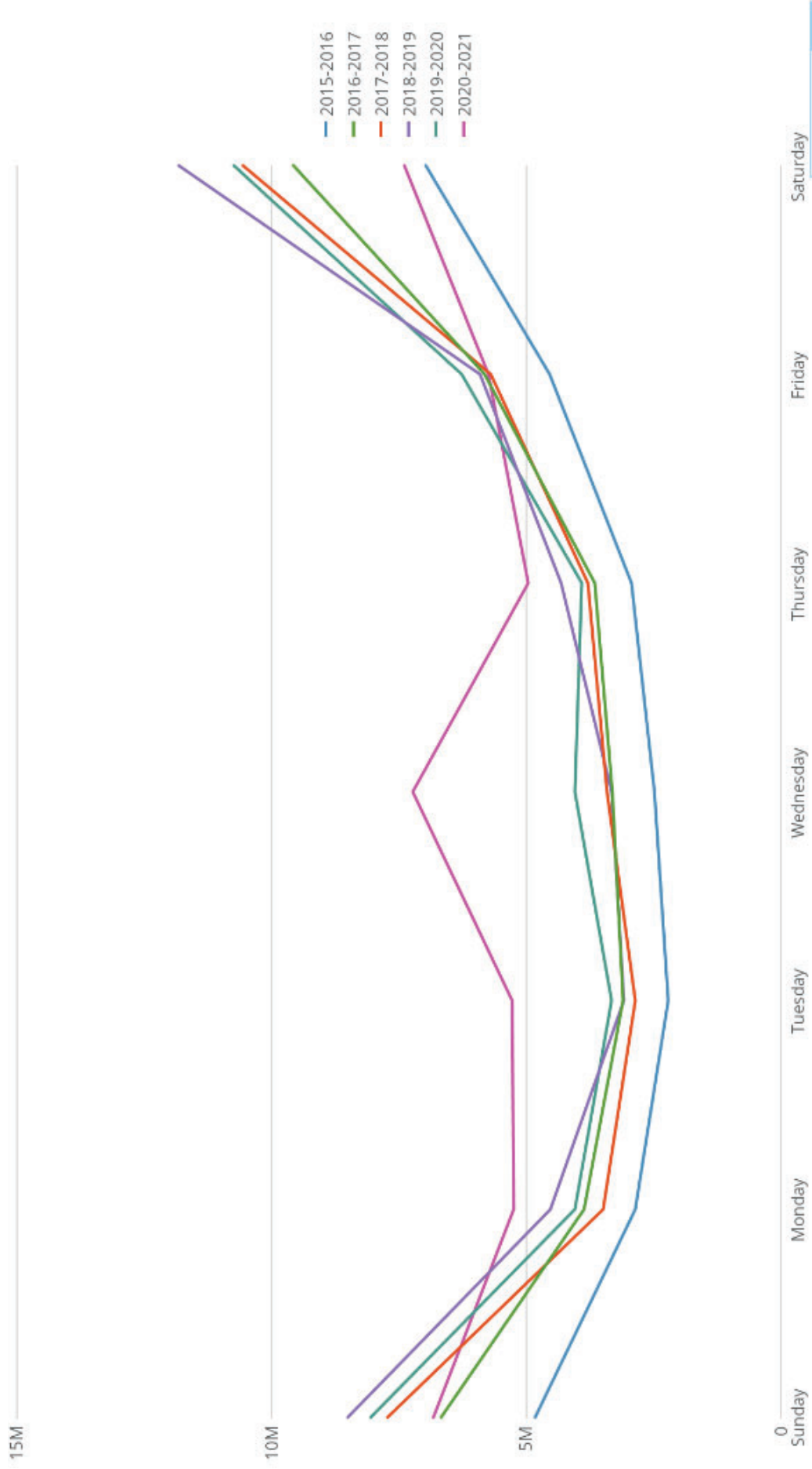
The record setting season pass sales at the ski resorts realized over 19,000 season passes with associated revenue of \$8 million that surpassed the prior record year by \$2.5 million. One factor contributing to the success of pass sales was a transparent and open assurance plan that protected a customer's purchase.

The 2020-2021 revenue was supported by an aggressive communications plan that alerted guests of the daily safety procedures and on-site policies. From outdoor boot-up tents to a new mobile food ordering platform, ORDA visitors experienced best-in-class customer service while maintaining social distance.

Due to altered customer schedules, traffic patterns, as well as attendance restrictions, midweek sales hit record high levels with a shift in the curve of the weekly sales as shown in this chart.

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Management's Discussion and Analysis, Continued



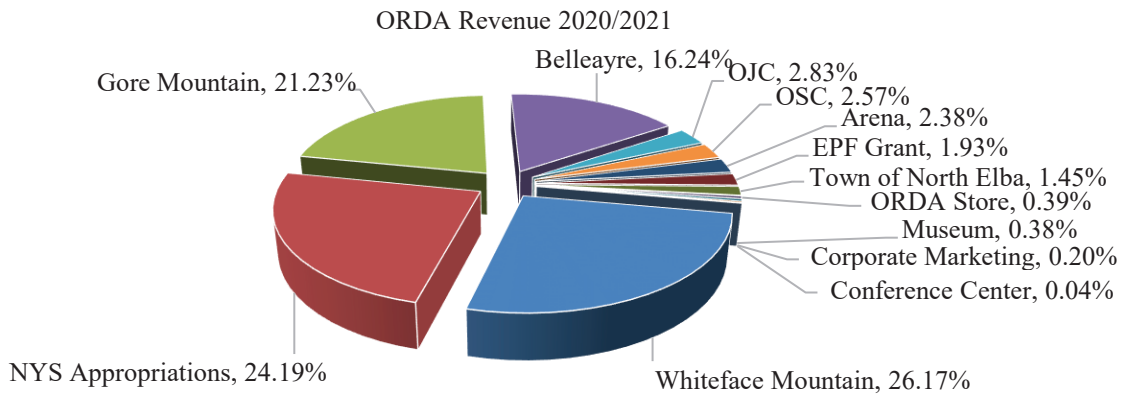
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Management’s Discussion and Analysis, Continued

Visitation increased for the third consecutive year at the Lake Placid Oval for public skating. This was due in part to consistent programming and a renewed sales and communications effort. The Nordic programs and their accompanying season pass sales experienced record revenue of \$550,000. The new Mountain Pass Lodge and cross-country snowmaking systems at Mt Van Hoevenberg were key drivers in revenue growth.

Technology played a pivotal role in the success of ORDA venues and ski mountains this year. The expansion of RFID technology and the e-commerce platform gave guests the continued convenience of direct-to-lift access with their online purchases. The timing was ideal for the installation of previously planned sales kiosks throughout the enterprise. ORDA technology successfully created a platform for “touchless” transactions and socially distanced visits. Additionally, critical customer data tracking was employed for operational efficiency and predictive visitation analytics.

Graphic presentation of revenue and expense by venue and type follow to assist the analysis of ORDA’s activities for fiscal year 2020/2021.



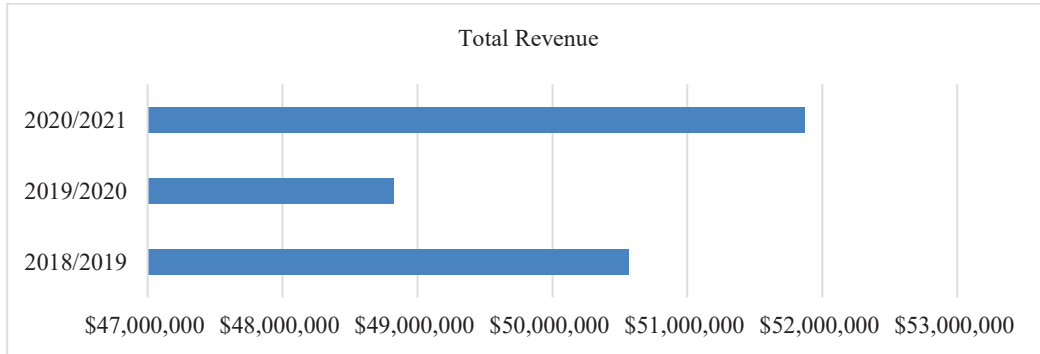
The revenue by segment pie chart for 2020/2021 shows that Whiteface Mountain continues to be the venue producing the most revenue at 26.17%, followed by Gore Mountain at 21.23%, Belleayre Mountain at 16.24%, support from the State of New York was 24.19%, Town of North Elba contributed 1.45%, and the remaining 10.72% comes from the Olympic Jumping Complex, the Mt. Van Hoevenberg, the Olympic Center, the ORDA store, corporate marketing and sports development.

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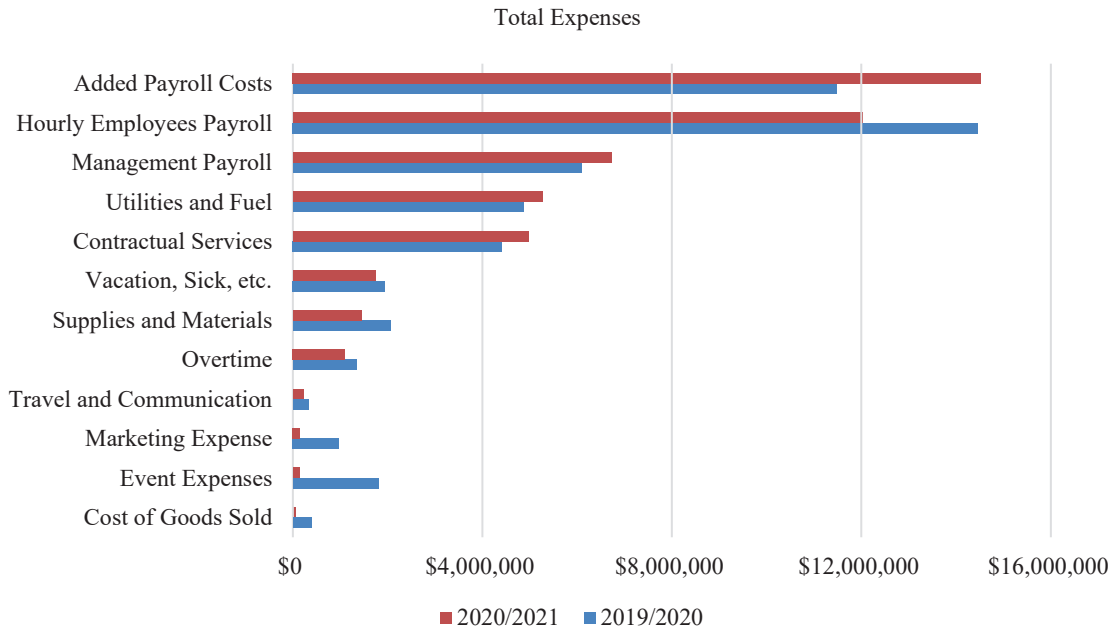
Management’s Discussion and Analysis, Continued

Total Revenue

This bar graph shows that the total revenue for 2020/2021 surpassed the previous two years. Noteworthy is total revenue includes support from NYS and Town of North Elba.



The expense by type graph shows that payroll added costs and hourly employees’ personal service continues to be ORDA’s greatest expenses. Management works diligently to keep overall expenses down.



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Management's Discussion and Analysis, Continued

Capital Assets

ORDA's investment in capital assets, net of accumulated depreciation as of March 31, 2021 and 2020 was \$288,617,798 and \$202,404,551, respectively. The net increase in capital assets at March 31, 2021 was \$86,213,247. Major capital asset additions during the fiscal year included a Mountain Coaster, Zip-Line, three new chairlifts, pumphouse improvements, the Mountain Pass Lodge at the Mt. Van Hoevenberg, and the Legacy Lodge at Whiteface Mountain.

Long Term Debt

At the end of the fiscal year, ORDA had capital lease obligations of \$3.2 million. Included in long term debt is a lease for improvements at both Gore and Whiteface, and a New York Power Authority lease for the purchase of energy efficient compressors and energy efficient snowmaking equipment at the ski centers. All of these improvements were performed in various dates from 2004 through 2008. ORDA has postemployment benefits obligations of \$68.8 million, a net pension liability of \$16.7 million, amounts due to New York State and Local Retirement System of \$899,866 and compensated absences of \$4.3 million.

Short Term Debt

ORDA currently has a line of credit of \$7 million, of which \$4.4 million was outstanding as of March 31, 2021, which is a decrease of \$514,000 from previous year. The line of credit had been used for cash flow purposes while the organization is waiting on State budgeted appropriations.

Economic Environment and Looking Ahead

Economic Environment

With interstate travel restricted for much of the 2020-2021 season, ORDA and the resort regions in which it operates did not see the destination guests from other states or internationally. Group visits and large gatherings such as weddings and catered events were also cancelled.

However, the in-state visitor helped create steady revenue growth. Local tourism revitalized several mountain resort economies with visitation shifting to midweek and the shoulder seasons.

ORDA launched several employment recruiting initiatives to ensure the operations were adequately staffed.

Staff training and COVID-19 protocol deployment were key drivers to success during the 2020-2021 season. There was not a single positive case of workplace transmission of COVID-19 from an employee or guest traced back to ORDA venues or mountains.

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Management's Discussion and Analysis, Continued

Looking Ahead

As we look toward the future, ORDA is well positioned to respond to the ever-changing economic environment that we now operate in. Last year's season was a huge success and created a model for how efficient operation combined with technological advancements and customer service create revenue opportunity.

ORDA is introducing new activities and is reopening several aspects of its operation with a more extensive schedule than last year. Wheeled bobsled rides are being introduced, and activities such as the Cliffside Coaster, Sky Flyer Zipline, scenic skyrides, and Veterans Memorial Highway will operate more days, accommodate more people, and/or provide more complete experiences, thereby adding to revenue opportunities.

More capital projects are finalized, which will improve current venue operation and develop more year-round revenue streams.

ORDA will continue deploying a compelling customer assurance policy that will enhance the value proposition of our advance purchase products, enabling buyer confidence. ORDA has established price tiers for season passes that occur in late August and early December that will reward customers for their advanced purchase.

Technology and e-commerce platforms continue to play a pivotal role in the way that guests engage with ORDA. ORDA has migrated the majority of products online. The majority of purchases, waivers and reservations now go through a robust and reliable online sales engine.

National indicators in the recreation industry are favorable as the vaccination efforts are well underway. This will further support visitation and revenue for NY State and the ORDA.

ORDA is planning for major national and international events and is welcoming year-round training throughout its venues. Adding to this excitement is ORDA's continued preparations for the FISU World University Games in January 2023.

Contacting ORDA's Management

This financial report is designed to provide a general overview of ORDA's finances, comply with finance-related laws and regulations, and demonstrate ORDA's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Mike Pratt, President/CEO, at 518-302-5301 or Peggy Evatt, Director of Finance, at 518-302-5317.

NEW YORK STATE OLYMPIC REGIONAL
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Statements of Net Position
March 31, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and equivalents	\$ 20,222,606	31,978,330
Inventory	331,022	122,382
Accounts receivable, net	1,955,216	1,408,633
Prepaid expenses	<u>727,917</u>	<u>535,564</u>
Total current assets	23,236,761	34,044,909
Property and equipment, net	<u>288,617,798</u>	<u>202,404,551</u>
Total assets	<u>311,854,559</u>	<u>236,449,460</u>
Deferred outflows of resources:		
Other postemployment benefits	15,960,868	1,969,753
Pension	<u>12,810,917</u>	<u>4,266,960</u>
Total deferred outflows of resources	<u>28,771,785</u>	<u>6,236,713</u>
Liabilities:		
Current liabilities:		
Accounts payable	10,081,872	9,834,348
Line of credit	4,400,162	4,914,162
Accrued liabilities	2,794,035	1,833,319
Current portion:		
Capital leases	493,517	494,802
New York State and Local Retirement System	271,880	263,220
Advanced collections	<u>4,051,544</u>	<u>1,408,011</u>
Total current liabilities	<u>22,093,010</u>	<u>18,747,862</u>
Other liabilities:		
Due to New York State Office of General Services	2,972,731	2,972,731
Capital lease obligations, net of current portion	2,726,139	3,219,656
Due to New York State and Local Retirement System	627,986	899,866
Accrued compensated absences	4,271,476	4,146,586
Net pension liability	16,723,858	3,976,724
Total other postemployment benefits	<u>68,833,028</u>	<u>58,780,628</u>
Total other liabilities	<u>96,155,218</u>	<u>73,996,191</u>
Total liabilities	<u>118,248,228</u>	<u>92,744,053</u>
Deferred inflows of resources:		
Other postemployment benefits	13,739,371	5,862,457
Pension	<u>854,369</u>	<u>1,776,989</u>
Total deferred inflows of resources	<u>14,593,740</u>	<u>7,639,446</u>
Net position:		
Investment in capital assets, net	285,398,142	198,690,093
Unrestricted (deficit)	<u>(77,613,766)</u>	<u>(56,387,419)</u>
Total net position	<u>\$ 207,784,376</u>	<u>142,302,674</u>

See accompanying notes to financial statements.

NEW YORK STATE OLYMPIC REGIONAL
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Statements of Revenue, Expenses and Changes in Net Position
Years ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Earned revenue	\$ 36,943,593	35,283,292
Sponsorships and in-kind contributions	<u>1,237,211</u>	<u>1,586,496</u>
Total operating revenue	<u>38,180,804</u>	<u>36,869,788</u>
Operating expenses:		
Personal services	36,430,690	34,697,277
Depreciation	15,378,458	12,555,075
Utilities and fuel	5,271,697	4,863,792
Postemployment benefits	3,938,199	1,371,883
Contractual services	5,541,991	6,195,023
Event related costs	140,533	1,812,756
Supplies and materials	1,447,925	2,058,344
Marketing	290,923	1,102,630
Loss on disposal of assets	172,879	702,601
Fees and dues	220,651	364,941
Cost of good sold	60,984	399,897
Communications	209,452	234,901
Travel and lodging	9,926	92,628
Bad debts	<u>15,180</u>	<u>8,283</u>
Total operating expenses	<u>69,129,488</u>	<u>66,460,031</u>
Operating loss	<u>(30,948,684)</u>	<u>(29,590,243)</u>
Non-operating revenues (expenses):		
Appropriations:		
New York State	12,546,000	10,940,000
Town of North Elba	750,000	750,000
Interest income	22	29
Insurance recovery	820,933	-
Energy curtailment	1,312	-
Interest expense	<u>(179,514)</u>	<u>(317,314)</u>
Total non-operating revenues	<u>13,938,753</u>	<u>11,372,715</u>
Loss before capital contributions	(17,009,931)	(18,217,528)
Capital contributions:		
New York State Capital appropriations	81,488,041	90,935,213
Other New York State agency capital appropriations	1,000,000	9,000,000
Other	<u>3,592</u>	<u>16,155</u>
Total capital contributions	<u>82,491,633</u>	<u>99,951,368</u>
Change in net position	65,481,702	81,733,840
Net position at beginning of year	<u>142,302,674</u>	<u>60,568,834</u>
Net position at end of year	<u>\$ 207,784,376</u>	<u>142,302,674</u>

See accompanying notes to financial statements.

NEW YORK STATE OLYMPIC REGIONAL
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Statements of Cash Flows
Years ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from customers	\$ 40,025,363	37,973,178
Payments to employees	(32,170,902)	(34,227,434)
Payments to suppliers	(12,267,185)	(11,462,037)
Net cash used in operating activities	<u>(4,412,724)</u>	<u>(7,716,293)</u>
Cash flows from noncapital financing activities:		
Appropriations received from State and Town of North Elba	13,296,000	11,690,000
Cash paid on line of credit	(514,000)	(498,552)
Net cash provided by noncapital financing activities	<u>12,782,000</u>	<u>11,191,448</u>
Cash flows from capital and related financing activities:		
New York State and other capital contributions	81,491,633	99,951,368
Additions to property and equipment	(101,764,584)	(82,723,703)
Principal paid on capital lease obligations	(494,802)	(691,478)
Principal paid on installment debt	-	(1,493,000)
Insurance recovery	820,933	-
Energy curtailment	1,312	-
Interest paid on debt	(179,514)	(317,314)
Net cash provided by (used in) capital and related financing activities	<u>(20,125,022)</u>	<u>14,725,873</u>
Cash flows from investing activities - interest income	<u>22</u>	<u>29</u>
Net change in cash and equivalents	(11,755,724)	18,201,057
Cash and equivalents at beginning of year	<u>31,978,330</u>	<u>13,777,273</u>
Cash and equivalents at end of year	<u>\$ 20,222,606</u>	<u>31,978,330</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating loss	(30,948,684)	(29,590,243)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	15,378,458	12,555,075
Loss on disposal of assets	172,879	702,601
Bad debts	15,180	8,283
Pension items - New York State and Local Retirement System	3,280,557	441,703
Other postemployment benefits	3,938,199	1,371,883
Changes in:		
Inventory	(208,640)	(19,519)
Accounts receivable	438,237	971,484
Prepaid expenses	(192,353)	(109,360)
Accounts payable	247,524	7,174,960
Accrued liabilities	960,716	(1,383,206)
Due to New York State and Local Retirement System	(263,220)	(254,839)
Compensated absences	124,890	282,979
Advanced collections	2,643,533	131,906
Net cash used in operating activities	<u>\$ (4,412,724)</u>	<u>(7,716,293)</u>

See accompanying notes to financial statements.

NEW YORK STATE OLYMPIC REGIONAL
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Notes to Financial Statements

March 31, 2021

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

New York State Olympic Regional Development Authority (ORDA) 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. ORDA 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 (DEC). ORDA assumed operation of the arena complex, the speed skating oval and the Interval ski jump complex on October 13, 1982 under agreement with the Town of North Elba, as trustee for Town of North Elba Public Parks and Playground District (Park District). On April 1, 1984, ORDA entered into an agreement with DEC to operate, manage and maintain Gore Mountain Ski Center (Gore). On April 1, 2012, ORDA assumed management responsibility of Belleayre Ski Area in Highmont, New York. Belleayre was previously managed by DEC.

(b) Basis of Accounting

The financial statements of ORDA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. In accordance with the principles prescribed by the Governmental Accounting Standards Board (GASB), ORDA's financial statements have been presented as a proprietary fund. All revenues and expenses are recognized on the accrual basis. ORDA is a discretely presented component unit of New York State and is included in the State's comprehensive annual financial report.

(c) Basis of Presentation

The position of ORDA and changes therein are classified and reported as follows:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of related debt obligations of those assets.

Unrestricted net position - reports the balance of net position that does not meet the definition of the above category.

ORDA has adopted the provisions of GASB Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 37 - "Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments: Omnibus." The two statements require that State and Local governments' financial statements include management's discussion and analysis, government-wide financial statements, fund financial statements, notes to financial statements and required supplementary information. The statements require State and Local governments to report infrastructure assets.

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed to the extent they do not conflict or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. ORDA has elected to not follow subsequent private sector guidance.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue 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 compensated absences, the estimated useful lives of property and equipment and the estimated value of the other post-employment benefits obligation.

(e) Cash and Equivalents

ORDA's cash and equivalents consists of cash on hand and demand deposits with original maturities of three months or less from date of acquisition.

ORDA's investment policies are governed by NYS statutes and ORDA's own written investment policy. Authority monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. ORDA's 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 and time deposits not covered by the Federal Deposit Insurance Corporation (FDIC) Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies.

Custodial credit risk is the risk that, in the event of a bank failure, ORDA's deposits may not be returned to it.

At March 31, 2021 and 2020, all of ORDA's cash or cash equivalent balances of \$20,222,606 and \$31,978,330, respectively, were either insured by FDIC for or collateralized for with securities held by the pledging financial institution's trust department in ORDA's name.

(f) Inventory

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

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Accounts Receivable

Accounts receivable are stated at their uncollected balance, less an allowance for uncollectible accounts. ORDA provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of customers to meet their obligations.

(h) Property and Equipment

Property and equipment is 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 method over the following estimated useful lives:

	<u>Years</u>
Property	20 - 40
Equipment, furniture, and vehicles	3 - 10

(i) Sinking Fund - Capital Repairs and Improvements

Section 2619 of the Public Authorities Law requires ORDA 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 ORDA's fiscal year shall be deposited into the sinking fund. ORDA did not have net profits from operations for the year ended March 31, 2021, and had no balance in the reserve.

In the event of termination of ORDA, New York State and the Park District each will receive fifty percent of all monies in the sinking fund.

(j) Deferred Outflows and Inflows of Resources

In the statements of net position, in addition to assets, ORDA will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. ORDA has two items that qualify for reporting in this category. The first item is related to pensions. This represents the effect of the net change in ORDA's proportion of the collective net pension liability and difference during the measurement period between ORDA's contributions and its proportionate share of total contributions to the pension systems not included in pension expense, and the contributions to the pension system subsequent to the measurement date. The second item is related to other postemployment benefits. This represents ORDA's changes of assumptions or other inputs to the health insurance program and contributions to the health insurance program subsequent to the measurement date.

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Deferred Outflows and Inflows of Resources, Continued

In the statements of net position, in addition to liabilities, ORDA will sometimes report a separate section of deferred inflows of resources. The separate financial statement element reflects an increase in net position that applies to future periods. ORDA will not recognize the related revenue until a future event occurs. ORDA has two items that qualify for reporting in this category. The first item is related to pensions. This represents the change in the proportion between ORDA's contributions and the proportionate share of total plan contributions. The second item is related to other postemployment benefits. This represents the change of assumptions or other inputs and the difference between the expected and actual experience related to the health insurance program.

(k) Revenues

Amounts reported as operating revenue are from fees, events, and sponsorship revenues in connection with ORDA's ongoing operations. The principal operating revenues include activity fees, concession revenues and sponsorships. All revenues not meeting this definition are reported as non-operating.

Event revenues, including sponsorships, are recognized when the related event occurs. General sponsorship agreements are recognized over the period of the contract.

Operating appropriations from New York State and from the Park District are required by statute and are recognized in the fiscal year of appropriation.

Capital appropriations from New York State and New York State Agencies are recognized when received as this funding typically relates to long term projects.

(l) Expenses

Amounts reported as operating expenses are from providing services in connection with ORDA's ongoing operations. The principal operating expenses of ORDA include payroll, utilities, depreciation, other postemployment benefits, and contractual services. All expenses not meeting this definition are reported as non-operating.

(m) Vacation Liability

Employees of ORDA 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. Unused holiday time accrues without limit. The accrued value of vacation and holiday time and salary related payments at March 31, 2021 and 2020 amounted to \$1,152,554 and \$1,144,636, respectively, is included within accrued liabilities in the statements of net position.

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Compensated Absences

Sick days are forfeited upon termination but may be used at retirement to pay health insurance premiums. ORDA recognizes a liability for vested sick leave for employees who, at the statement of net position 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.

(o) Retirement Benefits

ORDA employees participate in the New York State and Local Retirement System. See note 8 for additional information regarding retirement benefits.

(p) Other Postemployment Benefits

In addition to providing retirement benefits, ORDA provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for ORDA. ORDA pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. See note 11 for additional information regarding postemployment benefits.

(q) NYS Capital Appropriations and Grants

ORDA receives capital appropriations and grants from New York State, New York State agencies and others to fund various capital and other projects related to health and safety, and preservation and improvement of facilities.

(r) Donated Use of Facilities

GAAP requires that the donated use of facilities be recorded as a contribution at its estimated fair value at the time received if ORDA has a clearly measurable and objective basis for determining the value. The agreement with New York State and the Park District permit ORDA to use, operate, and maintain the facilities in existence at ORDA's inception, including the personal property and equipment used solely in connection therewith. The amounts reported as property, plant and equipment in the accompanying statements of net position include only those assets purchased by ORDA.

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

(s) Donated Services

During the years ended March 31, 2021 and 2020 the recorded value of donated ski patrol services was \$363,295 and \$499,651, respectively.

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(2) Accounts Receivable

Accounts receivable at March 31, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 1,104,886	1,481,514
Due from New York State	1,000,000	95,000
FSA receivables	8,069	(13,654)
Employee advances	<u>1,598</u>	<u>5,110</u>
	2,114,553	1,597,970
Less allowance for doubtful accounts	<u>(159,337)</u>	<u>(159,337)</u>
Accounts receivable, net	\$ <u>1,955,216</u>	<u>1,408,633</u>

(3) Property and Equipment

Property and equipment consists of the following as of March 31, 2021 and 2020:

		March 31, 2021				
		Balance April 1	Additions	Retirement	Transfers	Balance March 31
Land	\$	145,000	-	-	-	145,000
Property		214,478,557	-	(1,061,478)	103,638,309	317,055,388
Equipment, furniture and vehicles		82,658,805	-	(1,361,291)	18,266,759	99,564,273
Construction in progress		<u>43,688,044</u>	<u>101,764,584</u>	<u>-</u>	<u>(121,905,068)</u>	<u>23,547,560</u>
Total		340,970,406	101,764,584	(2,422,769)	-	440,312,221
Less accumulated depreciation		<u>138,565,855</u>	<u>15,378,458</u>	<u>(2,249,890)</u>	<u>-</u>	<u>151,694,423</u>
Property and Equipment, net	\$	<u>202,404,551</u>	<u>86,386,126</u>	<u>(172,879)</u>	<u>-</u>	<u>288,617,798</u>

		March 31, 2020			
		Balance April 1	Additions	Deletions	Balance March 31
Land	\$	145,000	-	-	145,000
Property		170,878,596	45,418,972	1,819,011	214,478,557
Equipment, furniture and vehicles		68,735,513	15,260,219	1,336,927	82,658,805
Construction in progress		<u>21,643,533</u>	<u>22,044,511</u>	<u>-</u>	<u>43,688,044</u>
Total		261,402,642	82,723,702	3,155,938	340,970,406
Less accumulated depreciation		<u>128,464,118</u>	<u>12,555,075</u>	<u>2,453,338</u>	<u>138,565,855</u>
Property and Equipment, net	\$	<u>132,938,524</u>	<u>70,168,627</u>	<u>702,600</u>	<u>202,404,551</u>

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(4) Advanced Collections

Advanced collections consist of the following as of March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
General and event sponsorships	\$ 106,615	185,331
Advance sales	<u>3,944,929</u>	<u>1,222,680</u>
	<u>\$ 4,051,544</u>	<u>1,408,011</u>

(5) Line of Credit

ORDA has a \$7,000,000 demand grid note line of credit with Key Bank NA. The outstanding balance at March 31, 2021 and 2020 was \$4,400,162 and \$4,914,162, respectively. The agreement stated interest to be paid monthly on outstanding borrowings at LIBOR rate plus 2%. The outstanding balance is subject to right of setoff against all deposits held at Key Bank NA. Borrowings on the credit line are used primarily to pay employees and vendors when operating receipts are not sufficient. Activity for the line of credit for the years ended March 31, 2021 and 2020 is as follows:

Balance at March 31, 2019	\$ 5,412,714
Payments	<u>(498,552)</u>
Balance at March 31, 2020	4,914,162
Payments	<u>(514,000)</u>
Balance at March 31, 2021	\$ <u>4,400,162</u>

(6) Long-Term Liabilities

Long-term liability balances and activity for the year ended March 31, 2021 and 2020 are summarized below:

	March 31, 2021					
	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-term Portion
Capital lease obligations Due to NYS and Local Retirement System (ERS)	\$ 3,714,458	-	494,802	3,219,656	493,517	2,726,139
Compensated absences	1,163,087	-	263,221	899,866	271,880	627,986
Net pension liability	4,146,586	124,890	-	(a) 4,271,476	-	4,271,476
Total other post employment benefits	3,976,724	12,747,134	-	(a) 16,723,858	-	16,723,858
	<u>58,780,628</u>	<u>12,137,957</u>	<u>2,085,557</u>	<u>68,833,028</u>	-	<u>68,833,028</u>
Total	<u>\$ 71,781,483</u>	<u>25,009,981</u>	<u>2,843,580</u>	<u>93,947,884</u>	<u>765,397</u>	<u>93,182,487</u>

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(6) Long-Term Liabilities, Continued

	March 31, 2020					
	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	Amounts <u>Due Within</u> <u>One Year</u>	<u>Long-term</u> <u>Portion</u>
Capital lease obligations	\$ 4,405,936	-	691,478	3,714,458	494,802	3,219,656
Installment debt	1,493,000	-	1,493,000	-	-	-
Due to NYS and Local Retirement System (ERS)	1,417,925	-	254,838	1,163,087	263,220	899,867
Compensated absences	3,863,607	282,979 (a)	-	4,146,586	-	4,146,586
Net pension liability	1,550,133	2,426,591 (a)	-	3,976,724	-	3,976,724
Total other post employment benefits	<u>58,333,794</u>	<u>3,874,692</u>	<u>3,427,858</u>	<u>58,780,628</u>	<u>-</u>	<u>58,780,628</u>
Total	<u>\$ 71,064,395</u>	<u>6,584,262</u>	<u>5,867,174</u>	<u>71,781,483</u>	<u>758,022</u>	<u>71,023,461</u>

Additions and deletions to compensated absences and net pension liability are shown net because it is impractical to determine these amounts separately.

Installment debt related to the purchase and construction of the new gondola at Belleayre Mountain. The total cost of the gondola was \$7,986,000; the remaining balance of \$1,493,000 was paid in 2020.

(7) Obligations Under Capital Lease Agreements

ORDA leases equipment under capital leases expiring during fiscal year 2024. The assets and liabilities under capital leases are recorded at the present value of the minimum lease payments. The effective interest rates for the leased equipment range from 1.17% to 4.6%. The assets under capital leases are included in the accompanying statement of net position. Depreciation of assets under capital leases is included in depreciation expense.

ORDA refinanced certain capital leases that had balloon payments with KeyBank in August of 2017 for \$2,377,049. Payments of \$254,697 are to be made semi-annually through August 2022 including interest at 2.55%.

ORDA financed certain upgrades to the conference center with Great American Financial Services. Monthly payments of \$2,331 were to be made through September 2020, with interest rate of 4.659%. This lease is now paid in full.

Minimum future lease payments under the capital leases are as follows:

2022	\$ 509,395
2023	254,697
2024	<u>2,474,649</u>
	3,238,741
Less amount representing interest	<u>(19,085)</u>
Present value of net minimum lease payments	\$ <u>3,219,656</u>

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(7) Obligations Under Capital Lease Agreements, Continued

Assets held under capital assets are as follows:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 15,105,688	15,105,688
Less accumulated depreciation	<u>10,356,306</u>	<u>9,609,801</u>
Net leased property	\$ <u>4,749,382</u>	<u>5,495,887</u>

Total cash paid for interest expense was \$179,514 and \$317,314 for the years ended March 31, 2021 and 2020.

(8) Pension Plan

(a) New York State and Local Retirement System

ORDA participates in the New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the fund and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. ORDA also participates in the Public Employees; Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The GLIP is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

(b) Funding Policy

The System is noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System for more than 10 years are no longer required to contribute. For employees who joined after January 1, 2010, and prior to April 1, 2012, employees contribute 3% of their salary throughout their active membership. For employees who joined after April 1, 2012, employees contribute 3% of their salary until April 1, 2013, and then contribute 3% to 6% of their salary throughout their active membership. 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.

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(8) Pension Plan, Continued

(b) Funding Policy, Continued

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

2021	\$ 2,302,745
2020	\$ 2,129,230
2019	\$ 1,910,089

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

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

At March 31, 2021, ORDA reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. ORDA's proportionate share of the net pension liability was based on a projection of ORDA'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 the System in reports provided to ORDA.

Measurement date	3/31/2020
Net pension liability	\$ 16,723,858
Board's proportion of the System's net pension liability	0.0631552%
Changes in proportionate share from prior year	0.0070288

For the years ended March 31, 2021 and 2020, ORDA recognized pension expense of \$5,597,573 and \$2,566,821, respectively, for the System in the statements of revenue, expenses and changes in net position. At March 31, 2021 ORDA's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NEW YORK STATE OLYMPIC REGIONAL
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Notes to Financial Statements, Continued

(8) Pension Plan, Continued

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

	March 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 984,267	-
Changes of assumptions	336,739	290,769
Net difference between projected and actual investment earnings on pension plan investments	8,573,462	-
Changes in proportion and differences between ORDA's contributions and proportionate share of contributions	613,704	563,600
ORDA's contributions subsequent to the measurement date	<u>2,302,745</u>	<u>-</u>
Total	<u>\$ 12,810,917</u>	<u>854,369</u>
	March 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 783,100	266,950
Changes of assumptions	999,586	-
Net difference between projected and actual investment earnings on pension plan investments	-	1,020,647
Changes in proportion and differences between ORDA's contributions and proportionate share of contributions	355,044	489,392
ORDA's contributions subsequent to the measurement date	<u>2,129,230</u>	<u>-</u>
Total	<u>\$ 4,266,960</u>	<u>1,776,989</u>

ORDA's contributions subsequent to the March 31, 2021 measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

DEVELOPMENT AUTHORITY
Notes to Financial Statements, Continued

(8) Pension Plan, Continued

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

<u>Year ending</u>	
2022	\$ 1,577,525
2023	2,415,408
2024	3,146,700
2025	2,514,170
2026	-
Thereafter	-
	<u>\$ 9,653,803</u>

(d) Actuarial Assumptions

The total pension liability as of the 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 valuation used the following actuarial assumptions:

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return (net of investment expense, including inflation)	6.8%
Salary increases	4.2%
Inflation rate	2.5%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term 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 previous actuarial valuation as of April 1, 2018 used a long-term expected rate of 7.0%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows.

NEW YORK STATE OLYMPIC REGIONAL
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Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(d) Actuarial Assumptions, Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Asset class:		
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies (1)	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation - indexed bonds	<u>4.00%</u>	0.50%
	<u>100.00%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

(e) Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. 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 the 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.

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

The following presents ORDA's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what ORDA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate:

	1% Decrease (<u>5.8%</u>)	Current Assumption (<u>6.8%</u>)	1% Increase (<u>7.8%</u>)
Employer's proportionate share of the net pension liability	\$ <u>30,693,001</u>	<u>16,723,858</u>	<u>3,858,218</u>

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Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(g) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)
Measurement date	3/31/2020
Employers' total pension liability	\$ (194,596)
Plan fiduciary net position	<u>168,115</u>
Employers' net pension liability	\$ <u>(26,481)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	86.39%

(h) Contributions to the Pension Plan

Board contributions are paid annually based on the System's fiscal year which ends on March 31st. ORDA retirement contributions as of March 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022, based on paid employee wages multiplied by ORDA's contribution rate, by tier. ORDA's proportionate share of this amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(9) Related Party Disclosures

ORDA 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. As of March 31, 2021 and 2020, ORDA has the following balances outstanding:

	<u>2021</u>	<u>2020</u>
New York State and Local Retirement System	\$ <u>899,866</u>	<u>1,163,087</u>
New York State Office of General Services	\$ <u>2,972,731</u>	<u>2,972,731</u>

(10) Commitments and Contingencies

(a) Litigation

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

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Notes to Financial Statements, Continued

(10) Commitments and Contingencies, Continued

(b) Risk Management

ORDA 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. ORDA has purchased commercial insurance for all risk beyond minimal deductible amounts. Settled claims have not exceeded the commercial coverage by any material amounts during the year ended March 31, 2021. There was no reduction in insurance coverage during the year ended March 31, 2021.

(c) Service America Corporation d/b/a Centerplate

On July 16, 2011, ORDA entered into a concession license agreement with Service America Corporation d/b/a Centerplate, for concessions at the ORDA venues including food, retail, clothing sales, special events catering, ski or skate rental, and locker rentals. Belleayre was added to the contract through a 2013 addendum after ORDA assumed the responsibility for operation and management of that venue from the DEC. The term of ORDA's concession contract with Centerplate is through July 15, 2021.

(d) Levy Premium Foodservice Limited Partnership

On November 12, 2020, ORDA entered into a concession license agreement with Levy Premium Foodservice Limited Partnership (Levy) for concessions at its Mt. Van Hoevenberg venue for the operation of food and beverage licensed premises. The agreement provides for a split of the net receipts and the term of ORDA's concession contract with Levy terminates on April 15, 2026 with an optional 5-year period.

(11) Other Postemployment Benefits

(a) Plan Description

ORDA provides certain health care benefits for retired employees. ORDA administers this Retirement Benefits Plan (the Retirement Benefits Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

In general, ORDA provides medical and dental benefits to its retirees. There were approximately 137 retired employees and spouses receiving benefits as of March 31, 2021. Eligible employees must have had 10 years of service under the New York State and Local Retirement System, of which five such years must have been with ORDA.

The Retirement Benefits Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

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Notes to Financial Statements, Continued

(11) Other Postemployment Benefits, Continued

(b) Benefits Provided

The obligations of the Retirement Benefit Plan are established by action of ORDA. ORDA will pay at most 75% of the cost of coverage for pre-Medicare medical coverage dependent on the type of plan that is selected and will pay 100% of coverage for the Medicare Supplemental plan. Coverage is provided to surviving spouses for their lifetime. The costs of administering the Retirement Benefits Plan are paid by ORDA. ORDA currently contributes enough money to the Retirement Benefits Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums. The amount paid during the years ended March 31, 2021 and 2020 was approximately \$2,085,000 and \$1,372,000, respectively.

(c) Employees Covered by Benefit Terms

At March 31, 2021 and 2020, the following employees were covered by the benefit terms:

	<u>2021</u>	<u>2020</u>
Inactive employees or beneficiaries currently receiving benefits	137	128
Active employees	<u>302</u>	<u>260</u>
Total participants	<u>439</u>	<u>388</u>

(d) Net OPEB Liability

ORDA's net OPEB liability was measured as of March 31, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2020.

(e) Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll Growth	3.75%
Discount Rate	2.27% as of March 31, 2020
Healthcare Cost Trend Rates	5.30% for 2021, decreasing to an ultimate rate of 3.78% in 2050 and thereafter
Dental care	1.90% per year
Share of Benefit-Related Costs	This varies based on the type of plan selected. ORDA will pay a maximum of 75%.
Cost Method	Entry Age Normal as a Percentage of Payroll

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Notes to Financial Statements, Continued

(11) Other Postemployment Benefits, Continued

(e) Actuarial Assumptions and Other Inputs, Continued

The discount rate was based on the Bond Buyer 20-Bond GO Index as the valuation date, which represents the average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Mortality rates were RP-2006 (rates underlying RP-2014) headcount-weighted mortality tables with adjustments for mortality improvements based on Scale MP-2020.

(f) Changes in the Total OPEB Liability

Changes of assumptions and other inputs reflect a change in the discount rate from 3.79% in 2020 to 2.27% in 2021.

(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.27%)	Current Discount (2.27%)	1% Increase (3.27%)
Total OPEB Liability	\$ 81,711,570	68,833,028	58,758,592

(h) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of ORDA, as well as what ORDA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease (4.3%)	Healthcare Current Discount (5.3%)	1% Increase (6.3%)
Total OPEB Liability	\$ 58,173,401	68,833,028	82,520,332

(i) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended March 31, 2021 and 2020, ORDA recognized OPEB expense of \$3,938,199 and \$1,371,883, respectively. At March 31, 2021 and 2020, ORDA reported deferred outflows and inflows of resources related to OPEB from the following sources:

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Notes to Financial Statements, Continued

(11) Other Postemployment Benefits, Continued

(i) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPE2.5B, Continued

	March 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,739,975	2,897,768
Changes of assumptions	<u>10,220,893</u>	<u>10,841,603</u>
Total	\$ <u>15,960,868</u>	<u>13,739,371</u>
	March 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ -	12,482,796
Changes of assumptions	-	(6,620,339)
Benefit payments subsequent to measurement date	<u>1,969,753</u>	<u>-</u>
Total	\$ <u>1,969,753</u>	<u>5,862,457</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 227,447
2023	227,447
2024	227,447
2025	227,447
2026	227,447
Thereafter	<u>1,084,262</u>
	\$ <u>2,221,497</u>

(12) 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 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 ORDA and its future results and financial position is not presently determinable.

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Notes to Financial Statements, Continued

(13) Subsequent Events

ORDA has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(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. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

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.

REQUIRED SUPPLEMENTARY INFORMATION

NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY
Required Supplementary Information
Schedule of Changes in
Total OPEB Liability and Related Ratios
Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability			
Service cost	\$ 1,638,292	1,640,224	1,578,808
Interest	2,188,264	2,234,468	2,384,974
Differences between expected and actual experience	(3,288,830)	-	8,381,068
Changes of assumptions	11,600,231	(1,642,956)	(13,945,943)
Benefit payments	<u>(2,085,557)</u>	<u>(1,784,902)</u>	<u>(1,375,491)</u>
Net change in total OPEB liability	10,052,400	446,834	(2,976,584)
Total OPEB liability at beginning of year	<u>58,780,628</u>	<u>58,333,794</u>	<u>61,310,378</u>
Total OPEB liability at end of year	<u>\$ 68,833,028</u>	<u>58,780,628</u>	<u>58,333,794</u>
Covered payroll	<u>\$ 13,355,361</u>	<u>12,940,672</u>	<u>11,087,066</u>
Total OPEB liability as a percentage of covered payroll	515.40%	454.23%	526.14%

Notes to schedule:

- (1) 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>2021</u>	<u>2020</u>	<u>2019</u>
	2.27%	3.79%	3.89%

- (2) This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

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Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
New York State and Local Retirement System						
ORDA's proportion of the net pension liability	0.0631552%	0.0561264%	0.0480297%	0.0499538%	0.0509010%	0.0505560%
ORDA's proportionate share of the net pension liability	\$ 16,723,858	3,976,724	1,550,133	4,693,767	8,169,798	1,707,916
ORDA's covered payroll	\$ 17,366,424	15,676,921	13,582,728	12,112,688	12,080,731	15,817,870
ORDA's proportionate share of the net pension liability as a percentage of its covered payroll	96.30%	25.37%	11.41%	38.75%	67.63%	10.80%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.40%	94.70%	90.70%	97.90%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

The accompanying independent auditors' report should be read in conjunction with these financial statements.