

**NEW YORK STATE OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE
STATE OF NEW YORK)**

**Financial Statements
as of March 31, 2020
Together with
Independent Auditor's Reports**

Bonadio & Co., LLP
Certified Public Accountants

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)	3
FINANCIAL STATEMENTS:	
Statement of Net Position	13
Statement of Revenues, Expenses, and Changes in Net Position	14
Statement of Cash Flows.....	15
Notes to Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of Changes in Total OPEB liability and Related Ratios	31
Schedule of Proportionate Share of Net Pension Liability.....	32
Schedule of Contributions – Pension Plans.....	33
REQUIRED REPORT	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34

INDEPENDENT AUDITOR'S REPORT

June 30, 2020

To the Board of Directors of
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), a New York Public Benefit Corporation and discretely presented component unit of the State of New York, as of and for the year ended March 31, 2020 and the related notes to the 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 the entity'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 the entity'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.

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(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

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, 2020, and the 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.

Report on Summarized Comparative Information

We have previously audited ORDA's 2019 financial statements and expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020 is consistent, in all material respects, with the audited financial statements from which it was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in total other postemployment benefit liability and related ratios, schedule of proportionate share of pension liability, and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020 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 the 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 the ORDA's internal control over financial reporting and compliance.

NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY (A COMPONENT UNIT OF THE STATE OF NEW YORK)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) AS OF AND FOR THE YEAR ENDED MARCH 31, 2020

Within this section of 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 fiscal year ended March 31, 2020. 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 \$142,302,674 as of March 31, 2020. This compares to the previous year, when net position was \$60,568,834 (as restated for change in accounting principle).
- Total net position is comprised of the following:
 - (1) Investment in capital assets of \$198,690,093 which includes property and equipment, net of accumulated depreciation and related debt.
 - (2) Unrestricted net position of (\$56,482,419) representing the excess of non-capital expenses over revenue since the inception of ORDA.

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 the 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.

The second statement is the *Statement of Revenues, Expenses and Changes in Net Position*, which reports how ORDA's net position changed during the current fiscal year. Revenues 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, 2020, operating activities used \$7,621,293 of cash, state and local appropriations provided cash of \$11,096,448, net cash provided by capital and related financing activities was \$14,725,874 and investing activities provided cash of \$29, resulting in a net increase in cash and cash equivalents of \$18,201,058. Cash and cash equivalents at the beginning of the year were \$13,777,273, while at the end of the year, cash and cash equivalents were \$31,978,330.

This statement also presents the reconciliation of net loss from operations of \$29,590,243 (including depreciation of \$12,555,075 and loss on disposal of assets of \$702,601) to net cash used by operating activities of \$7,621,293.

Overview of Financial Statements (Continued)

The accompanying *Notes to the 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 \$142,302,674. This is a \$81,733,840 increase over last year's net position of \$60,568,834. The following table provides a summary of the elements of ORDA's net position:

	<u>Totals</u>			<u>%</u>
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Change</u>
Current assets	\$ 34,044,909	\$ 16,694,740	\$ 17,350,169	103.93%
Capital assets	202,404,551	132,938,524	69,466,027	52.25%
Deferred outflows	6,236,713	7,593,877	(1,357,164)	-17.87%
Total assets and deferred outflows	<u>\$242,686,173</u>	<u>\$157,227,141</u>	<u>\$ 85,459,032</u>	<u>54.35%</u>
Current liabilities	\$ 18,747,862	\$ 15,004,048	\$ 3,743,814	24.95%
Other liabilities	73,996,191	71,597,810	2,398,381	3.35%
Deferred inflows	7,639,446	10,056,449	(2,417,003)	-24.03%
Total Liabilities and deferred inflows	<u>\$100,383,499</u>	<u>96,658,307</u>	<u>3,725,192</u>	<u>3.85%</u>
Net position:				
Invested in capital assets, net of related debt	\$198,690,093	\$127,039,588	\$ 71,650,505	56.40%
Unrestricted net position	(56,387,419)	(66,470,754)	10,083,335	-15.17%
Total net position	<u>\$142,302,674</u>	<u>\$ 60,568,834</u>	<u>\$ 81,733,840</u>	<u>134.94%</u>

Current assets increased approximately \$17.4 million and was the result of cash remaining on hand needed to complete the capital projects started in 2019/2020.

Capital assets increased \$69.4 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 included the gondola and elevator modernizations at the jumping complex, the Discovery Lodge expansion at Belleayre, several snowmaking-efficiency projects, technological advancements to the digital e-commerce platform and the re-opening of the elevator at the historic Veterans' Memorial Highway.

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

Major Events Impacting Financial Results

New York State Olympic Regional Development Authority enjoyed a busy and very successful 2019/2020 event season that was ultimately cut short due to the COVID-19 pandemic.

The Olympic Sports Complex at Mt Van Hoevenberg took center stage with a nationally televised FIL Luge World Cup that was seen live on NBC during the Thanksgiving weekend. The venue then welcomed an additional IBSF Bobsled World Cup in December due to track failure at another international venue. The two Bobsled World Cup Championships were held in back-to-back weeks allowing for a successful and operationally efficient competition that garnered incremental revenue gains.

The December Stars on Ice performance at the Olympic Center featured many Olympians and World Champions of figure skating to Lake Placid. Despite a winter storm advisory throughout the north country, the weeknight performance was still one of the most attended the tour had experienced in the US that year.

ORDA's ski mountains hosted over 20 junior alpine competitions and many regional scholastic races. In early March, the USCSA Ski and Snowboard National Championships brought in over 500 athletes, coaches and delegates from more than 50 university alpine teams that competed during this elite-level NCAA competition.

The perennial Can-Am and CHE youth hockey tournaments welcomed almost 10,000 competitors and families to the Olympic Center with the majority of the events during the "shoulder seasons". US Short Track Speed Skating held their North American season finale in the 1932 rink this year, marking the return of speed skating to Lake Placid in over a decade.

The year's events were highlighted by the 40th Anniversary Celebration of the 1980 Winter Olympics in Lake Placid. It's a featured skating event at the Olympic Center, state-wide buildings lighting up the sky with USA colors and a village festival that celebrated the Olympians of the past, present and future.

When the COVID-19 pandemic impacted the world, ORDA venues canceled the remaining events for the fiscal year. The largest event that was impacted was the ECAC Men's Hockey tournament which brings in the NCAA's most elite hockey conference along with over 5,000 fans. The World Championship of Synchronized Dance was a sold out competition for early April which was cancelled as well as reelecting on the 2021 FY.

Despite the shortcomings in March, this extensive event schedule reinforces the New York State Olympic Regional Development Authority legislative mandate of developing a wide range of national and international athletic training and competitive opportunities that maximize the utilization of the Olympic facilities.

Revenues, Expenses, and Changes in Net Position

Visitation and Revenue-

ORDA's 2019/2020 sales revenue was dramatically outpacing budget projection as it was enjoying an 11% increase in revenue by the end of February.

Despite having two venues closed during the summer months for major construction the sales revenue for 2019/2020 was still projected to hit record numbers. But, with the closure of our ski resorts in mid-March and the cancellation of several major events due to the COVID-19 pandemic, the overall 2019/2020 sales revenue ended the year down by 4%.

Early winter snow events expanded terrain offerings and record season pass sales set up the ski resorts for an amazing start to the season in terms of both revenue and visitation. The 2019/2020 sales were also boosted by the improvements to the facilities that drove increased visitation and record revenue during the key holiday vacation periods.

ORDA increased overall sponsorship sales and development from the previous year's \$960K to the current \$978K. This was due in part to an almost 100% renewal rate and incremental growth to the client-base. With more aggressive/bundled sales packages, the successful momentum of sponsorship growth is being enjoyed for the third straight year.

Record visitation during Presidents' Week was historic and the holiday period eclipsed the \$4-million mark for the first time. With blue-bird weather, the increased sales from tour groups and evening events that included bands and fireworks, the ski resorts were packed to "capacity" during this pivotal sales timeframe.

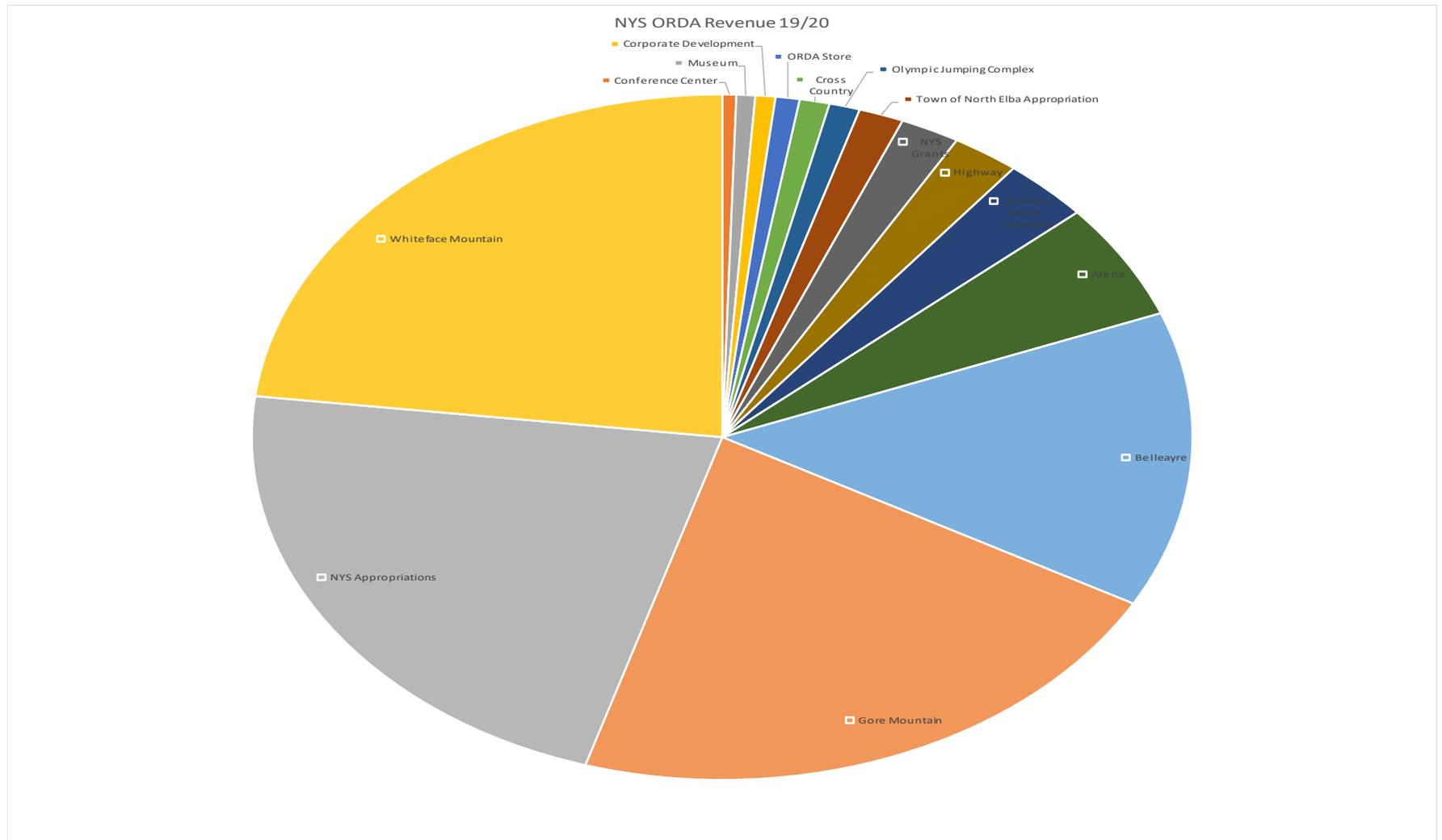
There was also an expanded sales effort along with targeted social media and increase public awareness that contributed to the record sales and visitation during the MLK weekend too. MLK sales hit record high levels with an aggregate of over \$1.5M in sales for all of the ORDA ski operations.

Usage was up once again for the second consecutive year at the Lake Placid Oval for public skating. This was due in part to consistent programming and a renewed sales/communications effort. The Nordic programs and their accompanying season pass sales were flat with modest gains in both lessons and e-tickets over last year.

ORDA expanded their partnering efforts with regional and out of state ski resorts in forming a reciprocal program for season pass holders with about 15 other ski mountains. This effort is a key strategy and positions our regions as the destinations for travelers as ORDA has taken the lead in developing these partnerships.

Additionally, with the introduction to the RFID Card, ORDA guests can now go direct to lift saving them time and money. This technology was very successful as wait times at the box offices decreased and customer-data tracking increased.

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

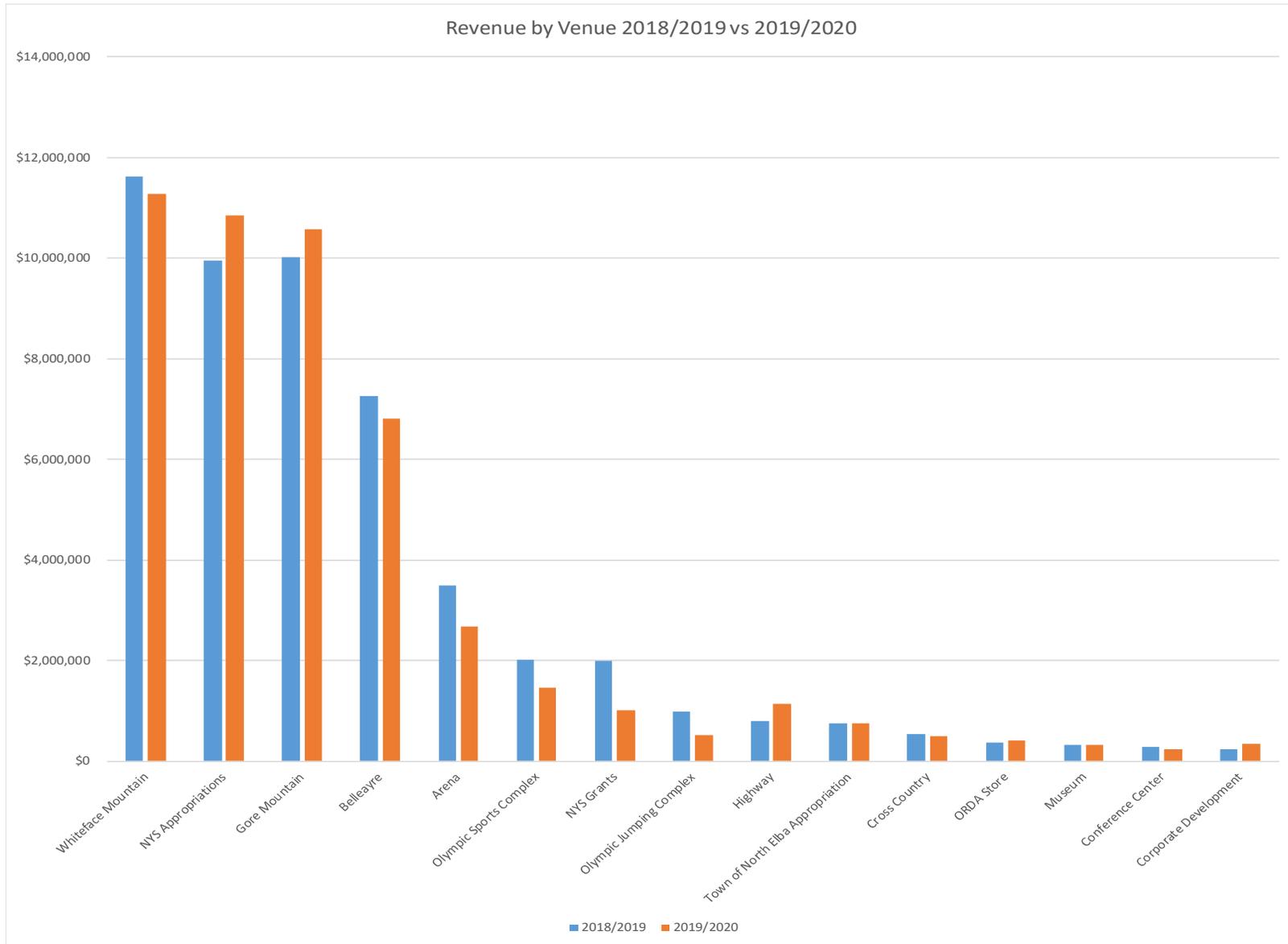


Graphic presentation of revenue and expense by venue and type follow to assist the analysis of ORDA's activities for fiscal year 2020.

The revenue by venue pie chart for 2019/2020 shows that Whiteface Mountain continues to be the venue producing the most revenue at 23.08%, followed by Gore Mountain at 21.64%, Belleayre Mountain at 13.96%, support from the State of New York was 22.21%, Town of North Elba contributed 1.54%, and the remaining 17.57% comes from other venues, the ORDA store, corporate marketing and sports development.

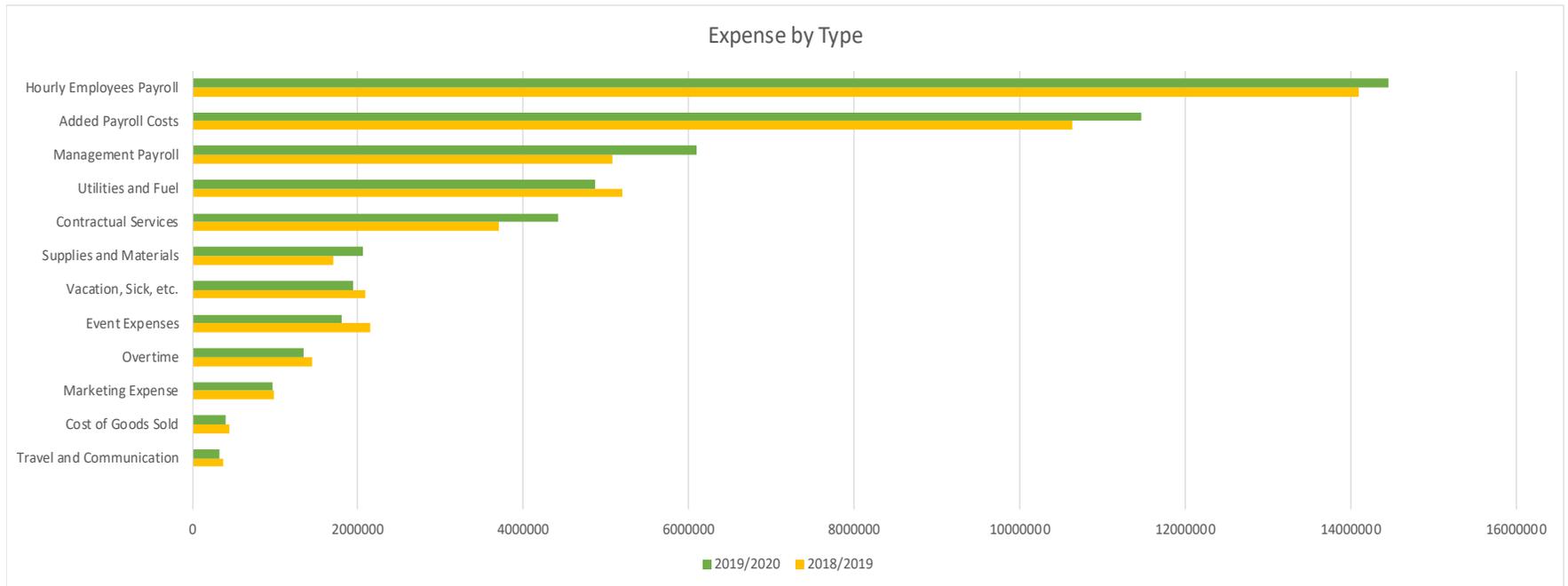
Revenue by Venue Bar Chart

This bar graph shows that most revenue segments were down or about the same in 2019/2020 as compared to 2018/2019. The most notable increase in revenue was seen at the Whiteface Memorial Highway.



Expense by Type Graph

The Expense by Type graph shows that hourly employees' personal service continues to be ORDA's greatest expenses, followed very closely by payroll added cost. Management worked diligently to keep overall expenses down.



Capital Assets

ORDA's investment in capital assets, net of accumulated depreciation as of March 31, 2020 and 2019 were \$202,404,551 and \$132,938,524, respectively. The net increase in capital assets at March 31, 2020 was \$69,466,027. Major capital asset additions during the fiscal year included upgrades to the lodges at Whiteface, Gore and Belleayre along with efficiency improvements to snowmaking systems.

Long Term Debt

At the end of the fiscal year, ORDA had capital lease obligations of \$3.7 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. ORDA has post-employment benefits obligations of \$58.7 million, a net pension liability of \$3.9 million, amounts due to NYSERS of \$1.1 million and compensated absences of \$4.1 million.

Short Term Debt

ORDA currently has a line of credit of \$7 million, of which \$4.9 million was outstanding as of March 31, 2020. The line of credit is used for cash flow purposes while the organization is waiting on State budgeted appropriations.

Economic Environment and Next Year's Forecast

Economic Environment

Overall, the downturn in business and the subsequent closures of our facilities due to the COVID-19 Pandemic, in March, combined with the fact that we were not able reduce fixed costs, resulted in a swing in excess of \$4M to the annual P&L. Prior to our facilities and venues being put on "pause," ORDA was projecting sales revenue to be ahead of the forecasted budget, and dramatically ahead of the previous year's metrics.

While battling a pandemic that has created the worst economic downturn since the Great Depression, it is our belief that The Olympic Regional Development Authority will emerge stronger and better than ever. ORDA is positioned and poised to be a major catalyst for economic recovery in both the Adirondack and Catskill regions.

ORDA has developed operating plans that consider the safety of staff and guests. We look forward to reopening, maintaining our destination status, and welcoming the world to our facilities.

Next Year's Forecast

As we look toward the future, ORDA is poised and well positioned to respond to the ever-changing economic environment that we now operate in. Last year's season was cut short and the wave of the economic downturn is certainly carrying into the upcoming year. We plan to approach it in a series of steps that are not only methodical, but also allow for us to pivot if necessary.

ORDA operations are currently on pause, but most of our venues and facilities are prepared to open when appropriate. The positive momentum that we have created over the past few years is one that we plan to capitalize on.

We will continue to enhance our operational efficiencies at all venues, the projects that are finalized during the summer-fall of 2020 will have a more favorable sales-margin with a longer (year-round) revenue stream. As we begin to promote these exciting capital-projects in our sales collateral and messaging, we anticipate the frequent-skier products such as season passes, to increase.

Additionally, we are deploying a compelling customer assurance policy that will enhance the value proposition of our advance-purchase products enabling buyer confidence. We are also offering price-tiers for season passes that occur in late August and late October and will reward customers for their advanced purchase.

Our technology and e-commerce platforms continue to play a pivotal role in the way that our guests engage with us. Our direct-to-lift RFID system was a welcome enhancement that has helped keep lift lines shorter and ski times longer. It has allowed for a more effect operation for ORDA and a more graceful way that our customers can "reload" their card with our various products and services.

Our e-commerce platform also plays a major role in the success of the upcoming year. We have migrated the majority of our products on-line and available on mobile devices. We are anticipating that the majority of purchases, waivers and reservations will go through our robust on-line sales engine.

Some worldwide indicators in the outdoor recreation industry have been looking quite favorable for an increase in both visitation and revenue. ORDA is optimistic that those indicators will soon point to NY State and the Olympic Regional Development Authority.

Depending on capacity control and governmental restrictions the following major events are planned.

November - 2020

- FIL Junior World Cup International Training Week
- FIL Junior World Cup

January - 2021

- FIL Luge World Cup
- IBSF International Training
- Empire State Games

February - 2021

- IBSF Bobsled & Skeleton World Championships
- NYSPHSAA Skiing Championships (Alpine & Nordic)

March - 2021

- 60th ECAC Hockey Championships

Next Year's Forecast (Continued)

In 2023 ORDA will be hosting the Winter World University Games. This is just the second time they will be held outside of Europe or Asia. These games will be bigger in size and scope with more athletes, delegates and events than the 1980 Winter Olympics.

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 Peggy Evatt, Director of Finance, at 518-302-5317 or Mike Pratt, President/CEO, at 518-302-5301.

**OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

STATEMENT OF NET POSITION

MARCH 31, 2020

(with summarized comparative totals)

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 31,978,330	\$ 13,777,273
Inventory	122,382	102,863
Accounts receivable, net	1,408,633	2,388,400
Prepaid expenses	<u>535,564</u>	<u>426,204</u>
Total current assets	34,044,909	16,694,740
PROPERTY, PLANT AND EQUIPMENT, net	<u>202,404,551</u>	<u>132,938,524</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - Other post employment benefits	1,969,753	1,784,902
Deferred outflow of resources - Pension	<u>4,266,960</u>	<u>5,808,975</u>
Total deferred outflow of resources	<u>6,236,713</u>	<u>7,593,877</u>
Total assets and deferred outflows of resources	<u>\$ 242,686,173</u>	<u>\$ 157,227,141</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 9,834,348	\$ 2,659,388
Line-of-credit	4,914,162	5,412,714
Accrued liabilities	1,833,319	3,216,525
Current portion - Capital leases	494,802	691,478
Current portion - Installment debt	-	1,493,000
Current portion - New York State Employees' Retirement System	263,220	254,838
Advanced collections	<u>1,408,011</u>	<u>1,276,105</u>
Total current liabilities	<u>18,747,862</u>	<u>15,004,048</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	3,219,656	3,714,458
Due to New York State Employees' Retirement System	899,866	1,163,087
Accrued compensated absences	4,146,586	3,863,607
Net pension liability	3,976,724	1,550,133
Total other post employment benefits	<u>58,780,628</u>	<u>58,333,794</u>
Total other liabilities	<u>73,996,191</u>	<u>71,597,810</u>
Total liabilities	<u>92,744,053</u>	<u>86,601,858</u>
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - Other post employment benefits	5,862,457	4,752,557
Deferred inflow of resources - Pension	<u>1,776,989</u>	<u>5,303,892</u>
Total deferred inflow of resources	<u>7,639,446</u>	<u>10,056,449</u>
Total liabilities and deferred inflows	<u>100,383,499</u>	<u>96,658,307</u>
NET POSITION:		
Net investment in capital assets	198,690,093	127,039,588
Unrestricted	<u>(56,387,419)</u>	<u>(66,470,754)</u>
Total Net Position	<u>\$ 142,302,674</u>	<u>\$ 60,568,834</u>

The accompanying notes are an integral part of these statements.

**OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2020**
(with summarized comparative totals)

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Earned revenue	\$ 35,283,292	\$ 37,199,675
Sponsorships and in-kind contributions	<u>1,586,496</u>	<u>1,603,776</u>
Total Operating Revenues	<u>\$ 36,869,788</u>	<u>\$ 38,803,451</u>
Operating Expenses		
Personal services	\$ 34,697,277	\$ 32,336,154
Depreciation	12,555,075	9,419,139
Utilities and fuel	4,863,792	5,193,742
Post employment benefits	1,371,883	1,366,562
Contractual services	6,195,023	5,645,356
Event related costs	1,812,756	2,147,959
Supplies and materials	2,058,344	1,707,700
Marketing	1,102,630	1,144,010
Loss on disposal of assets	702,601	677,796
Fees, dues	364,941	362,659
Cost of goods sold	399,897	444,154
Communications	234,901	245,468
Travel and lodging	92,628	122,450
Bad debts	<u>8,283</u>	<u>7,100</u>
Total Operating Expenses	<u>66,460,031</u>	<u>60,820,249</u>
Operating Loss	<u>(29,590,243)</u>	<u>(22,016,798)</u>
Non-Operating Revenues (Expenses)		
Appropriations - New York State	10,940,000	9,940,000
Appropriations - Town of North Elba	750,000	750,145
Interest income	29	36
Interest expense	<u>(317,314)</u>	<u>(359,513)</u>
Total Non-Operating Revenue	<u>11,372,715</u>	<u>10,330,668</u>
Loss Before Capital Contributions	<u>(18,217,528)</u>	<u>(11,686,130)</u>
Capital Contributions		
New York State capital appropriations	90,935,213	42,700,000
Other New York State agency capital appropriations	9,000,000	2,035,764
Other	<u>16,155</u>	<u>22,888</u>
Total Capital Contributions	<u>99,951,368</u>	<u>44,758,652</u>
Change in Net Position	81,733,840	33,072,522
Net Position, Beginning of Year	<u>60,568,834</u>	<u>27,496,312</u>
Net Position, End of Year	<u>\$ 142,302,674</u>	<u>\$ 60,568,834</u>

The accompanying notes are an integral part of these statements.

**OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020**
(with summarized comparative totals)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 37,973,178	\$ 39,157,448
Payments to employees	(34,227,434)	(32,671,859)
Payments to suppliers	<u>(11,462,037)</u>	<u>(16,738,361)</u>
Net Cash Provided (Used) Operating Activities	<u>(7,716,293)</u>	<u>(10,252,772)</u>
Cash Flows From Noncapital Financing Activities		
Appropriations received from State and Town of North Elba	11,690,000	10,690,145
Cash paid on line of credit	<u>(498,552)</u>	<u>-</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>11,191,448</u>	<u>10,690,145</u>
Cash Flows From Capital and Related Financing Activities		
New York State and other capital contributions	99,951,368	44,758,652
Additions to property, plant and equipment	(82,723,703)	(38,998,364)
Principal paid on capital lease obligations	(691,478)	(738,980)
Principal paid on installment debt	(1,493,000)	(1,493,000)
Interest paid on debt	<u>(317,314)</u>	<u>(359,513)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>14,725,873</u>	<u>3,168,795</u>
Cash Flows From Investing Activities		
Interest income	<u>29</u>	<u>36</u>
Net Cash Provided by Investing Activities	<u>29</u>	<u>36</u>
Net Increase (Decrease) in Cash and Cash Equivalents	18,201,057	3,606,204
Cash and Cash Equivalents, Beginning of Year	<u>13,777,273</u>	<u>10,171,069</u>
Cash and Cash Equivalents, End of Year	<u>\$ 31,978,330</u>	<u>\$ 13,777,273</u>
Reconciliation of Net Loss From Operations to Net Cash Used By Operating Activities		
Operating loss	\$ (29,590,243)	\$ (22,016,798)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	12,555,075	9,419,139
Loss on disposal of assets	702,601	677,796
Bad debts	8,283	7,100
Pension items - Employees' Retirement System	441,703	(112,987)
Other post employment benefits	1,371,883	1,366,562
(Increase) decrease in assets:		
Inventory	(19,519)	(4,865)
Accounts receivable	971,484	365,808
Prepaid expenses	(109,360)	85,562
Increase (decrease) in liabilities:		
Accounts payable	7,174,960	36,682
Accrued liabilities	(1,383,206)	5,967
Due to New York State Employees' Retirement System	(254,839)	(246,723)
Compensated absences	282,979	24,005
Advanced collections	<u>131,906</u>	<u>139,980</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (7,716,293)</u>	<u>\$ (10,252,772)</u>

The accompanying notes are an integral part of these statements.

**NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

1. NATURE OF OPERATIONS

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Cash and Cash Equivalents

ORDA's cash and cash 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

Collateral is required for demand and time deposits not covered by FDIC Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies.

At March 31, 2020, all of ORDA's cash or cash equivalent balances of \$31,978,330 were either insured by the Federal Deposit Insurance Corporation (FDIC) for or collateralized for with securities held by the pledging financial institution's trust department in ORDA's name.

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.

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.

Property, Plant and Equipment

Property, plant 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 and plant	20-40
Equipment, furniture, and vehicles	3-10

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, 2020, 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 post-employment benefits, and contractual services. All expenses not meeting this definition are reported as non-operating.

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, 2020 \$1,144,636 is included within accrued liabilities in the statement of net position.

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.

Retirement Benefits

ORDA employees participate in the New York State and Local Employees' Retirement System. See Note 10 for additional information regarding retirement benefits.

Other Post-Employment Benefits

In addition to providing retirement benefits described, ORDA provides post-employment 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 13 for additional information regarding post-employment benefits.

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.

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 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 balance sheets 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

During the year ended March 31, 2020 the recorded value of donated ski patrol services was approximately \$499,651.

Prior Year Summarized Information

The financial statements include certain prior year summarized information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be considered in conjunction with ORDA's financial statement for the year ended March 31, 2019, from which the information was obtained.

3. CASH AND CASH EQUIVALENTS

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

Governmental accounting standards direct that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are not covered by collateralization.

As of March 31, 2020, all of ORDA's cash or cash equivalent balances of \$31,978,330 were either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the pledging financial institution's trust department in ORDA's name.

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	<u>2020</u>
Trade receivables	1,481,514
Due from NYS	95,000
FSA receivables	(13,654)
Employee advances	<u>5,110</u>
	1,567,970
Less: allowance for doubtful accounts	<u>159,337</u>
Accounts receivable, net	<u>\$ 1,408,633</u>

5. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of the following as of March 31, 2020:

	Balance <u>April 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>March 31</u>
Land	\$ 145,000	\$ -	\$ -	\$ 145,000
Property and plant	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, Plant and Equipment, net	<u>\$132,938,524</u>	<u>\$ 70,168,627</u>	<u>\$ 702,600</u>	<u>\$202,404,551</u>

6. ADVANCED COLLECTIONS

Advanced collections consist of the following as of March 31:

	<u>2020</u>
General and event sponsorships	185,331
Advance sales	<u>1,222,680</u>
	<u>\$ 1,408,011</u>

7. 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, 2020 was \$4,914,162. The agreement stated interest to be paid monthly on outstanding borrowings at LIBOR rate plus 2.00%, for 2020. The outstanding balance is subject to right of setoff against all deposits held at Key Bank. 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 year ended March 31, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Payments</u>	<u>Ending Balance</u>
Line of Credit	<u>\$ 5,412,714</u>	<u>\$ -</u>	<u>\$ 498,552</u>	<u>\$ 4,914,162</u>

8. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-term Portion
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 Employee 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	58,333,794	3,874,692	3,427,858	58,780,628	-	58,780,628
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>

A. 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.

9. 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 the purchase of a scoreboard with a lease through PNC Finance. Semi-annual payment amounts of \$64,400 were made through August 2019 with interest at 1.17%. This lease is now paid in full.

ORDA financed the purchase of snow equipment with M2 Lease Funds. Annual payments of \$141,866 were made through September 2019 with an interest rate of 2.18%. This lease is now paid in full.

ORDA financed certain upgrades to the conference center with Great American Financial Services. Monthly payments of \$2,331 are to be made through September 2020, with interest rate of 4.659%.

9. OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS (Continued)

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

2021	\$	523,381
2022		509,395
2023		254,697
2024		<u>2,474,649</u>
		3,762,122
Less: Amount representing interest		<u>47,664</u>
Present value of net minimum lease payments	\$	<u><u>3,714,458</u></u>

Assets held under capital assets are as follows:

		<u>2020</u>
Equipment	\$	15,105,688
Less: accumulated depreciation		<u>9,609,801</u>
Net leased property	\$	<u><u>5,495,887</u></u>

Total cash paid for interest expense was \$317,314 for the year ended March 31, 2020.

10. PENSION PLANS

ORDA 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.

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 New York State Retirement and Social Security Law (NYSRSSL).

As set forth in the NYSRSSL, the Comptroller of New York 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.

10. PENSION PLANS (Continued)

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.

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

2020	\$ 2,129,230
2019	\$ 1,910,089
2018	\$ 1,769,336

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

Pursuant to Chapter 57 of the Laws of 2010 of the Employer Contribution Stabilization Program, payments which would have been paid by February 1, 2011, 2013, 2014, and 2015, are allowed to be made on a current basis, while amortizing existing unpaid amounts over a 10-year period, with a 5% interest factor added. The total unpaid liability was \$1,163,086 of which \$263,220 is included in current portion and \$899,866 in long-term debt at March 31, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At March 31, 2020, ORDA reported a liability of \$3,976,724 as its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. ORDA's proportion of the net pension liability was based on a projection of ORDA's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2020, ORDA's proportion was 0.0561264%.

10. PENSION PLANS (Continued)

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

For the year ended March 31, 2020, ORDA recognized pension expense of \$2,566,821. At March 31, 2020, ORDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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 earnings on pension plan investments	-	1,020,647
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	355,044	489,392
Contributions subsequent to the measurement date	2,129,230	-
	<u>\$ 4,266,960</u>	<u>\$ 1,776,989</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources relating to pension expense for ORDA will be amortized as follows:

Plan's Year Ended March 31:

2020	\$ 722,512
2021	(838,381)
2022	(89,176)
2023	565,786
2024	-
Thereafter	-
	<u>\$ 360,741</u>

Of the total reported as deferred outflows of resources, \$2,129,230 related to ORDA's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year.

Long Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses 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.

10. PENSION PLANS (Continued)

Long Term Rate of Return (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019, are summarized below:

Long Term Expected Rate of Return

<u>Asset Type</u>	<u>Target Allocations</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	36.0%	4.55%
International Equity	14.0%	6.35%
Private Equity	10.0%	7.50%
Real Estate	10.0%	5.55%
Absolute Return	2.0%	3.75%
Opportunistic Portfolio	3.0%	5.68%
Real Asset	3.0%	5.29%
Bonds and mortgages	17.0%	1.31%
Cash	1.0%	-0.25%
Inflation Indexed Bonds	4.0%	1.25%

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. 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. Based upon the assumptions, the Plan'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.

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

The following presents ORDA's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, 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 percent lower (6.0%) or 1 percent higher (8.0%) than the current rate:

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

	<u>1 % Decrease (6.0%)</u>	<u>Current Assumption</u>	<u>1% Increase (8.0%)</u>
Proportionate Share of Net Pension liability (asset)	<u>\$ 17,386,874</u>	<u>\$3,976,724</u>	<u>\$(7,288,752)</u>

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2020, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 183,400,590,000
Net position	<u>(180,173,145,000)</u>
Net pension liability	<u>\$ 3,227,445,000</u>
Fiduciary net position as a percentage of total pension liability	98.24%

11. 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, 2020, ORDA has the following balances outstanding:

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

12. COMMITMENTS AND CONTINGENCIES

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.

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 years ended March 31, 2020. There was no reduction in insurance coverage during the year ended March 31, 2020.

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 2021 addendum after ORDA assumed the responsibility for operation and management of that venue from the NYS Department of Environmental Conservation. The term of ORDA's concession contract with Centerplate is through July 15, 2021.

13. OTHER POST EMPLOYMENT BENEFITS

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 128 retired employees and spouses receiving benefits as of March 31, 2020. Eligible employees must have had 10 years of service under NYSERS, of which 5 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.

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 2020 was approximately \$1,372,000.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries	
currently receiving benefits	128
Active employees	<u>260</u>
Total participants	<u><u>388</u></u>

Net OPEB Liability

ORDA's net OPEB liability was measured as of March 31, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2018, with rollforward procedures performed to April 1, 2019.

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.6 percent
Payroll Growth	3.0 percent
Discount Rate	3.79 percent as of March 31, 2019
Healthcare Cost Trend Rates	5.5 percent for 2019, decreasing to an ultimate rate of 3.78% in 2050 and thereafter
Dental care Cost Trend Rates	1.9 percent 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

The discount rate was based on the Bond Buyer 20-Bond GO Index as of 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-2018.

Changes in the Total OPEB Liability

Changes of assumptions and other inputs reflect a change in the discount rate from 3.89% in 2019 to 3.79% in 2020.

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	Current Discount	1% Increase
	<u>(2.79%)</u>	<u>(3.79%)</u>	<u>(4.79%)</u>
Total OPEB Liability	<u>\$ 68,737,410</u>	<u>\$ 58,780,628</u>	<u>\$ 50,915,784</u>

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

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 <u>(6.5%)</u>	Healthcare Current Discount <u>(5.5%)</u>	1% Increase <u>(7.5%)</u>
Total OPEB Liability	\$ <u>50,401,779</u>	\$ <u>58,780,628</u>	\$ <u>69,422,837</u>

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

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of assumptions	\$ -	\$ (6,620,339)
Net difference between projected and actual earnings on investments		12,482,796
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>Fiscal Year Ending March</u>	<u>Amount</u>
2021	\$ (760,829)
2022	\$ (760,829)
2023	\$ (760,829)
2024	\$ (760,829)
2025	\$ (760,829)
Thereafter	<u>(2,058,312)</u>
	<u>\$ (5,862,457)</u>

14. EFFECT OF PANDEMIC/SUBSEQUENT EVENTS

As of the date of this report, the United States is in the midst of a pandemic related to a virus, commonly known as novel coronavirus (COVID-19). ORDA responded to this crisis by closing its ski areas and all other operations as of March 16, 2020. At present, ORDA remains closed to the general public, and it is unclear when operations will resume. ORDA, along with the rest of NYS government, is closely monitoring this evolving situation and adjusting its response accordingly. Businesses throughout NYS remain closed or are operating significantly below their capacity. This reduced economic activity is having an adverse effect on sales tax and income tax revenue collected by NYS. If NYS is unable to meet its budgeted revenue projections, it may need to reduce its budgeted expenditures accordingly, which could result in ORDA receiving less NYS appropriations than expected. The overall economic effect of the pandemic on ORDA's financial position is unknown, but it is expected to be significant.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2020**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service cost	\$ 1,640,224	\$ 1,578,808								
Interest	2,234,468	2,384,974								
Changes of benefit terms	-	-								
Differences between expected and actual experience	-	8,381,068								
Changes in assumptions	(1,642,956)	(13,945,943)								
Benefit payments	(1,784,902)	(1,375,491)								
Total change in total OPEB liability	\$ 446,834	\$ (2,976,584)								
Total OPEB liability - beginning	<u>58,333,794</u>	<u>61,310,377</u>								
Total OPEB liability - ending	<u>\$ 58,780,628</u>	<u>\$ 58,333,794</u>								
Covered-employee payroll	12,940,672	11,087,066								
Total OPEB liability as a percentage of covered-employee payroll	454.23%	526.14%								

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	3.79%	3.89%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The actuarial cost method has been updated from Projected Unit Credit to Entry Age Normal, which caused a decrease in liabilities.

The healthcare trend cost rates have been reset to an initial rate of 5.5% decreasing to an ultimate rate of 3.78% in 2050 and beyond, which caused an increase in liabilities.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2020**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion of the net pension liability	0.0561264%	0.0480297%	0.0499538%	0.050901%	0.050556%						
Proportionate share of the net pension liability	\$ 3,976,724	\$ 1,550,133	\$ 4,693,767	\$ 8,169,798	\$ 1,707,916						
Covered-employee payroll	\$ 15,676,921	\$ 13,582,728	\$ 12,112,688	\$ 12,080,731	\$ 15,817,870						
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	25.37%	11.41%	38.75%	67.63%	10.80%						
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.40%	94.70%	90.70%	97.90%						

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**OLYMPIC REGIONAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2020**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 2,129,230	\$ 1,910,089	\$ 1,769,336	\$ 1,875,924	\$ 1,968,469						
Contributions in relation to the contractually required contribution	\$ 2,129,230	\$ 1,910,089	\$ 1,769,336	\$ 1,875,924	\$ 1,968,469						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 15,676,921	\$ 13,582,728	\$ 13,582,728	\$ 12,112,688	\$ 12,080,731						
Contributions as a percentage of covered-employee payroll	13.58%	14.06%	13.03%	15.49%	16.29%						

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

REQUIRED REPORT

**INDEPENDENT AUDITOR'S 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**

June 30, 2020

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards acceptable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New York State Olympic Regional Development Authority (ORDA) a New York State Public Benefit Corporation and discretely presented component unit of the State of New York, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise ORDA's basic financial statements and have issued our report thereon dated June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ORDA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ORDA's internal control. Accordingly, we do not express an opinion on the effectiveness of ORDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**INDEPENDENT AUDITOR'S 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***
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ORDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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