



NEW YORK STATE

**OLYMPIC REGIONAL
DEVELOPMENT AUTHORITY**

Proposed 2023/2024 Budget & 2022-2027 Financial Plan

	Approved 2022/2023	Proposed 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
Revenue & Financial Sources					
Operating Revenues					
Charges for Services	\$38,007,544	\$43,543,000	\$44,849,290	\$45,297,783	\$45,977,250
Rentals & Financing Income	\$488,347	\$3,655,000	\$3,764,650	\$3,802,297	\$3,859,331
Other Operating Revenues	\$5,166,859	\$5,194,000	\$5,349,820	\$5,403,318	\$5,484,368
Non-Operating Revenues					
Investment Earnings	\$0	\$1,000	\$1,000	\$1,000	\$1,000
State Subsidies / Grants	\$14,940,000	\$14,940,000	\$14,940,000	\$14,940,000	\$14,940,000
Federal Subsidies / Grants					
Municipal Subsidies / Grants	\$750,000	\$500,000	\$500,000	\$500,000	\$500,000
Public Authority Subsidies					
Other Non-Operating Revenues	\$854,893	\$1,032,250	\$1,047,250	\$1,052,400	\$1,060,202
Proceeds from the Issuance of Debt					
Total Revenues & Financing Sources	\$60,207,643	\$68,865,250	\$70,452,010	\$70,996,798	\$71,822,151
Expenditures					
Operating Expenditures					
Salaries and Wages	\$25,929,410	\$29,966,010	\$30,565,330	\$30,870,984	\$31,179,693
Other Employee Benefits	\$17,465,802	\$16,780,944	\$17,126,563	\$17,302,829	\$17,480,857
Professional Services Contracts	\$245,431	\$250,000	\$255,000	\$257,550	\$260,126
Supplies and Materials	\$2,486,494	\$4,350,000	\$4,437,000	\$4,481,370	\$4,526,184
Other Operating Expenditures	\$13,851,354	\$17,485,786	\$17,835,501	\$18,013,856	\$18,193,995
Non-Operating Expenditures					
Payment of Principal on Bonds and Financing Arrangements					
Interest and other Financing Charges	\$119,998	\$0	\$0	\$0	\$0
Subsidies to Other Public Authorities					
Capital Asset Outlay	\$105,000,000	\$80,000,000	\$80,000,000	\$80,000,000	\$80,000,000
Grants and Donations					
Other Non-Operating Expenditures					
Total Expenditures	\$165,098,489	\$148,832,740	\$150,219,394	\$150,926,588	\$151,640,854
Capital Contributions	\$105,000,000	\$80,000,000	\$80,000,000	\$80,000,000	\$80,000,000
Excess (Deficiency) of Revenues and Capital Contributions Over Expenditures	\$109,154	\$32,510	\$232,616	\$70,209	\$181,297

(a) ORDA’s Relationship with New York State Government

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 the Town of North Elba Public Parks and Playground District. On April 1, 1984, ORDA entered into an agreement with DEC to operate, manage and maintain Gore Mountain Ski Center. On April 1, 2012, ORDA assumed management responsibility of Belleayre Ski Area in Highmount, New York. Belleayre was previously managed by DEC.

ORDA’s operations are overseen by a Board of Directors (“Board”). ORDA’s Board consists of the Commissioner of Environmental Conservation, the Commissioner of Empire State Development, the Commissioner of Parks, Recreation and Historic Preservation and nine members appointed by the Governor, by and with the advice and consent of the Senate. ORDA receives an annual operating appropriation from the general fund based on projected needs. Income of ORDA is exempt from taxation.

ORDA’s legislative mandate is to:

1. Institute a comprehensive, coordinated program of activities utilizing the Olympic facilities in and around Lake Placid, Gore Mountain Ski Center in North Creek, and Belleayre Mountain Ski Center in Highmount, in order to ensure optimum year-round use and enjoyment of these facilities to the economic and social benefit of the regions and to minimize the financial burden on state and local government by maximizing revenue opportunities.
2. Improve the physical fitness and recreational education of the people of New York and the United States.
3. Develop, implement and supervise a comprehensive, coordinated program for the management, promotion and scheduling of a wide range of national and international athletic training and competitive opportunities that maximize the utilization of the Olympic facilities.
4. Develop, construct, operate, manage and maintain facilities for the training and housing of amateur athletes in connection with the United States Olympic Committee’s training center program and ORDA’s conduct of national and international sports events.

(b) Budget Process

The creation of the 2023/2024 operational budget was especially challenging due to the continued pandemic and many other uncertainties including but not limited to rising fuel cost, supply chain issues and labor shortages.

During the summer of 2022 ORDA’s President & CEO, along with the Director of Finance, reviewed previous years’ actual revenue and expenses to project the next fiscal year’s budget.

Consideration was also made from input by the Director of Human Resources, for projected payroll and payroll added costs based on current and projected staffing levels.

Generally, in October of each year, the Division of the Budget (“DOB”) issues a letter (the “call letter”) to ORDA’s President & CEO requesting ORDA’s budget submission for the upcoming fiscal year. The call letter

specifies budget directives and the filing due date. As a public benefit corporation of the State, ORDA's fiscal year aligns with the State and the data presented is in accordance with the guidelines provided by the DOB.

The budget process will end with an appropriation request to the Director of the Budget on the prescribed date of the call letter and then uploading the proposed 2023/2024 budget to the Public Authorities Reporting Information System at the end of the calendar year.

The Proposed 2023/2024 Budget and 2022-2027 Financial Plan relies on data and projections developed through the following timeframe:

- During July/August – develop preliminary budget forecasts, including revenue and expenses, preliminary operations and maintenance, and capital expense targets.
- During September – Review ORDA's Proposed Budget and Financial Plan with the Executive Committee.
- During September/October – make ORDA's Proposed Budget and Financial Plan available for public inspection at five convenient locations and on ORDA's website.
- During November/December – seek authorization from ORDA's Board of Directors to approve the Final Budget and Financial Plan; submit the information to the State Comptroller's Office; and make the approved document available for public inspection at five convenient locations and on ORDA's website.

(c) **Budget Assumptions**

ORDA Revenue and Expenses

ORDA generates approximately 70% of its revenue from its operations, with the other 30% coming from New York State operating appropriations combined with funds from the Town of North Elba. Operational revenue is extremely hard to forecast as so much of it is dependent upon the weather and economy.

The projected staffing level is determined by evaluating the employee headcount during the current fiscal year and forecasting future headcounts based upon anticipated organizational needs. Payroll added costs are also projected based on the headcount. The impact of the pandemic was taken into consideration.

The basis of the budget is presented on an accrual basis.

Investment Income

Investment of ORDA's funds is administered in accordance with ORDA's investment guidelines. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities and were adopted pursuant to Section 2925 of the New York Public Authorities Law.

(d) **Self-Assessment of Budgetary Risks**

Set forth below is a summary of certain risks associated with ORDA's assets and operations. The following discussion of risks is intended only as a partial list and does not purport to identify all of the risk factors that may affect ORDA's assets and operations. Any one or more of the factors discussed and others could adversely affect ORDA's operations, assets, revenues and expenses to an extent that cannot be determined at this time.

- **Climate Change** – As part of the Climate Leadership and Community Protection Act initiatives, ORDA engages in regular vulnerability assessments to identify climate change-related risks to its assets and services. The climate change vulnerability assessment is meant to be an initial qualitative assessment of

climate change impacts to ORDA's assets, operations, and overall mission. Recognizing the effects that climate change has had and will continue to have on the Northeast's winter recreation and its core assets, ORDA has incorporated climate change into its decision-making at the operational, planning, and executive levels. Through its budget planning, ORDA has invested in high-efficiency snowmaking, hybrid maintenance equipment, dedicated solar arrays, modernized building systems, updated refrigeration for ice rinks and electric car charging stations. ORDA has adapted some of its existing infrastructure and equipment to offer more year-round activities, maximize venue use, support regional tourism, and advance economic development efforts in surrounding areas.

- **Other Business Risks**

- Industry Transformation – Through its strategic planning and risk management processes, ORDA regularly evaluates its mission, objectives, and customer needs and seeks to appropriately position ORDA to effectively meet the challenges of the transforming winter sport and tourism industry through implementation of initiatives such as long-term asset management strategy and a suite of customer solutions including new/modified facilities, technology, and product offerings. The impact on ORDA operations of any such industry transformation is not presently predictable.
Workforce – Like many other industries, the winter sport and tourism sector is realizing increased competition for, and a general shortage of talent in high skilled areas. This trend is expected to continue and be further impacted by transformations in the industry where new technologies are being developed and deployed. ORDA recognizes the uncertainty associated with attracting and retaining staff with the skills and competencies needed to meet stated objectives and regularly evaluates and positions its recruiting, talent development, and benefits programs accordingly.
- Physical and Cyber Security – ORDA constantly assesses the nature of the physical and cyber security risks and adjusts its resources to best anticipate and respond to any threats. Investments to harden both physical and cyber assets and their related infrastructure are continually needed to minimize potential adverse impacts to protect ORDA and customer information.
- Catastrophic Natural Events – A catastrophic natural event such as severe weather or flooding can negatively affect the operability of ORDA assets and facilities. ORDA regularly evaluates the resiliency of its assets and facilities. In addition, ORDA annually develops and implements disaster planning programs through its Emergency Management and Operations Plan. This plan is based on the specific, unique natural threats at each of its facilities. ORDA regularly conducts drills and exercises in order to ensure advance preparation for these types of events. ORDA maintains close working relationships with local first responders and government agencies to ensure its ongoing preparedness.
- Occupational Health and Workforce Safety – ORDA and its employees are exposed to a variety of health and safety risks. The health and safety of ORDA's workforce, customers, and contractors is of the highest priority to ORDA. ORDA has put in place multiple levels of controls, policies, procedures, and training programs in support of reducing and/or eliminating health and safety incidents. The impacts of the pandemic on ORDA's operations and financial condition is not presently predictable or quantifiable. To mitigate these risks, ORDA works closely with the Department of Health and other local and county health departments to ensure its ongoing preparedness and responsiveness.
- Litigation Risk – Actions or claims against ORDA include those arising out of negligence, personal injury, breach of contract, employment and other matters. Pursuant to Public Authorities Law § 2622 (4), all actions or claims against ORDA to recover damages for injuries to property or for personal injury arising out of the operation of its facilities is exclusive to the New York State Court of Claims. Payment of awards or judgments for such claims are made by the State of New York in accordance with section 20 of the Court of Claims Act. All other claims will, in the opinion of ORDA, and through representation by outside counsel hired by ORDA, be disposed of within the

amounts of ORDA's insurance coverage, where applicable, or the amount which ORDA has available therefore and without any material adverse effect on the business of ORDA.

- **Regulatory Risks** – Congressional and regulatory action for the increased regulation of air, water and contaminants is periodically considered, and there are potential legislative and regulatory proposals which may affect ORDA in the future. The impact on ORDA operations of any such proposals is not presently predictable or quantifiable.

(e) **Revised Forecast of Current Year's Budget**

Once the Operation Budget is approved it is not revised as the year progresses. During the year actual vs budget is constantly reviewed and analyzed.

The Capital Budget is frequently reviewed, and adjustments made as various projects transition from start to finish.

(f) **Reconciliation of Current Year's Budget and Revised Forecast**

Once the Operation Budget is approved it is not revised as the year progresses. All actual revenue and expenses are reviewed to develop and modify upcoming budgets.

The Capital Budget is frequently reviewed, and adjustments made as various projects transition from start to finish.

(g) **Statement of Previous Year's Financial Performance**

	Last Year Actual 2021/2022	Last Year Budget 2021/2022	Variance
Revenue & Financial Sources			
Operating Revenues			
Charges for Services	\$40,478,500	\$33,067,142	\$7,411,358
Rentals & Financing Income	\$1,109,242	\$205,110	\$904,132
Other Operating Revenues	\$4,991,355	\$7,237,595	(\$2,246,241)
Non-Operating Revenues			
Investment Earnings	\$31	\$25	\$6
State Subsidies / Grants	\$14,940,000	\$14,940,000	\$0
Federal Subsidies / Grants			
Municipal Subsidies / Grants	\$750,000	\$750,000	\$0
Public Authority Subsidies			
Other Non-Operating Revenues	\$648,233	\$700,153	(\$51,920)
Proceeds from the Issuance of Debt			
Total Revenues & Financing Sources	\$62,917,361	\$56,900,025	\$6,017,336
Expenditures			
Operating Expenditures			
Salaries and Wages	\$22,508,651	\$25,929,389	(\$3,420,738)
Other Employee Benefits	\$13,171,286	\$17,465,798	(\$4,294,512)
Professional Services Contracts	\$209,636	\$181,755	\$27,881
Supplies and Materials	\$3,964,266	\$2,797,474	\$1,166,792
Other Operating Expenditures	\$12,524,059	\$12,890,771	(\$366,712)
Non-Operating Expenditures			
Payment of Principal on Bonds and Financing Arrangements	\$254,838	\$254,838	\$0
Interest and other Financing Charges	\$117,507	\$375,000	(\$257,493)
Subsidies to Other Public Authorities			
Capital Asset Outlay	\$104,745,162	\$105,000,000	(\$254,838)
Grants and Donations			
Other Non-Operating Expenditures			
Total Expenditures	\$157,495,406	\$164,895,025	(\$7,399,619)
Capital Contributions	\$105,000,000	\$105,000,000	\$0
Excess (Deficiency) of Revenues and Capital Contributions Over Expenditures	\$10,421,955	(\$2,995,000)	\$13,416,955

The 2021/2022 fiscal year was one of the most successful years in history. ORDA grew revenue, made smart investments in its facilities, developed new businesses opportunities, and paid off its debts. The pandemic, as well as labor and supply chain shortages, presented several challenges to these successes. However, the excellence of the ORDA staff made the organization's record-breaking accomplishments possible.

(h) **Employee Data – number of employees, full-time, FTEs and functional classification**

	2023-2024	2024-2025	2025-2026	2026-2027
Executive Management	11	11	11	11
Marketing/Sales	20	20	20	20
Finance	9	9	9	9
Other Admin	74	74	74	74
Venue Ops (projected)	470	470	470	470
Total FTE	<u>584</u>	<u>584</u>	<u>584</u>	<u>584</u>

(i) **Gap-Closing Initiatives – revenue enhancements or cost-reduction initiatives**

ORDA continues to seek revenue streams that are favorable to the bottom line. ORDA continues to monitor operating expenses to manage cash outflows. ORDA has invested in solar arrays at both Gore Mountain and Whiteface Mountain, delivering clean energy that offsets the resorts' electric needs. ORDA has made a strong commitment to modernizing the snowmaking fleets with high-efficiency guns, system monitoring, motors with variable drives, and new energy-saving technologies. This means ORDA is making more snow in less time, using less energy. ORDA has invested in reloadable RFID technology and a robust e-commerce platform. This allows guests hassle-free ticketing in advance online, with no waste. The RFID media lasts for years, offering convenient direct-to-lift access winter after winter. New improvements at the facilities have allowed ORDA to expand year-round operations, thereby extending its revenue opportunities.

(j) **Material Non-Recurring Resources – source and amount**

There are no material non-recurring resources expected in the 2022-2027 period.

(k) **Shift in Material Resources**

There are no anticipated shifts in material resources from one year to another.

(l) **Debt Service**

ORDA does not issue debt.

During the fiscal year ended March 31, 2022 ORDA saw an improvement in cash flow and made it a priority to pay down its debt to zero. This will be a savings in future years of interest and finance charges. Also, due to better cash flow ORDA also was able to pay some large annual invoices in full, rather than in installments, again saving on interest and finance charges.

Below is the balance of outstanding debt currently and projected operational debt through March 31, 2027:

NYS ORDA

Principal ONLY Balances

(does not include interest)

	Actual	Actual	Projected Balance				
	3/31/2021	3/31/2022	3/31/2023	3/31/2024	3/31/2025	3/31/2026	3/31/2027
NYPA	\$2,474,650	\$0	\$0	\$0	\$0	\$0	\$0
Office of General Services	\$2,972,731	\$0	\$0	\$0	\$0	\$0	\$0
Key Bank Line of Credit	\$4,400,000	\$0	\$0	\$0	\$0	\$0	\$0
Key Government Finance, Inc	\$745,007	\$0	\$0	\$0	\$0	\$0	\$0
NYS Retirement							
Deferred Principal payments 2013-2016	\$899,866	\$0	\$0	\$0	\$0	\$0	\$0
	\$11,492,253	\$0	\$0	\$0	\$0	\$0	\$0

(m) Capital Commitments and Sources Funding

ORDA’s plan for its Maintenance and Improvements of Existing Facilities is currently planned to remain consistent at \$12.5M each year. These funds will target Health & Safety, Environmental Stewardship, Revenue Enhancement, Technology and Efficiencies.

ORDA’s plan for its New Capital presently calls for a reduction from the 2022/2023 funding of \$92.5M to \$67.5M in years 2024/2025, 2025/2026 and 2026/2027. These funds will be invested in lifts, snowmaking, electrical & building infrastructure, year-round operational infrastructure and economic development opportunities.

ORDA has grown significantly in recent years, both in its scope of operations and in the increased value of its assets. The last seven years of ORDA's total insured values are listed below, representing a 93% increase during that period. A review of the proposed capital budgets is recommended to ensure that they reflect ORDA's current and future needs for proper maintenance of its infrastructure and the organization's continued evolution in technology, sustainability, and the guest and athlete experience.

Fiscal Year	ORDA's Total Insured Value
2016-2017	\$240,927,055
2017-2018	\$241,767,225
2018-2019	\$257,165,513
2019-2020	\$256,198,336
2020-2021	\$365,322,690
2021-2022	\$418,839,573
2022-2023	\$462,983,525

