

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

**Financial Statements  
as of March 31, 2019  
Together with  
Independent Auditor's Reports**

**Bonadio & Co., LLP**  
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

June 24, 2019

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, 2019 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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## 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 New York State Olympic Regional Development Authority, as of March 31, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 3 to the financial statements, in 2019 ORDA adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

### **Report on 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 24, 2019 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.

*Bonadio & Co., LLP*

# 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, 2019

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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, 2019. 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 \$60,568,834 as of March 31, 2019. This compares to the previous year, when net position was \$27,496,312 (as restated for change in accounting principle).
- Total net position is comprised of the following:
  - (1) Investment in capital assets of \$127,039,588 which includes property and equipment, net of accumulated depreciation and related debt.
  - (2) Unrestricted net position of (\$66,470,754) 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, 2019, operating activities used \$10,252,772 of cash, state and local appropriations provided cash of \$10,690,145, net cash provided by capital and related financing activities was \$3,168,795 and investing activities provided cash of \$36, resulting in a net increase in cash and cash equivalents of \$3,606,204. Cash and cash equivalents at the beginning of the year were \$10,171,069, while at the end of the year, cash and cash equivalents were \$13,777,273.

This statement also presents the reconciliation of net loss from operations of \$21,339,002 (including depreciation of \$9,419,139 and loss on disposal of assets of \$677,796) to net cash used by operating activities of \$10,252,772.

### **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 \$60,568,834. This is a \$33,072,522 increase over last year's net position of \$27,496,312. The following table provides a summary of the elements of ORDA's net position:

	<u>Totals</u>		<u>%</u>	
	<u>2019</u>	<u>2018</u> <u>(as restated)</u>	<u>Change</u>	<u>Change</u>
Current assets	\$ 16,694,740	\$ 13,535,041	\$ 3,159,699	23.34%
Capital assets	132,938,524	104,044,195	28,894,329	27.77%
Deferred outflows	7,593,877	5,935,079	1,658,798	27.95%
Total assets and deferred outflows	<u>\$157,227,141</u>	<u>\$123,514,315</u>	<u>\$ 33,712,826</u>	<u>27.29%</u>
Current liabilities	\$ 15,004,048	\$ 15,370,021	\$ (365,973)	-2.38%
Other liabilities	71,597,810	79,624,124	(8,026,314)	-10.08%
Deferred inflows	10,056,449	1,023,858	9,032,591	882.21%
Total Liabilities and deferred inflows	<u>\$ 96,658,307</u>	<u>96,018,003</u>	<u>640,304</u>	<u>0.67%</u>
Net position:				
Invested in capital assets, net of related debt	\$127,039,588	\$ 95,913,279	\$ 31,126,309	32.45%
Unrestricted net position	<u>(66,470,754)</u>	<u>(68,416,967)</u>	<u>1,946,213</u>	<u>-2.84%</u>
Total net position	<u>\$ 60,568,834</u>	<u>\$ 27,496,312</u>	<u>\$ 33,072,522</u>	<u>120.28%</u>

Current assets increased approximately \$3.2 million and was the result of cash remaining on hand needed to complete the capital projects started in 2018/2019.

Capital assets increased \$28.9 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 2019 included snowmaking, grooming machines, Whiteface Lodge renovations, ski lifts and elevators.

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 2018/2019 event season. Highlights included hosting the 2019 International Children's games, welcoming over 400 young athletes from around the globe. ORDA also hosted more than 20 junior alpine competitions at our mountains, a packed house for the ECAC Men's Hockey Championships, the Empire State Games, World Cup bobsled, luge and skeleton events and IBSF Para-Bobsled World Championship, just to name a few.

Over 5,000 athletes and competitors from over 30 counties trained and competed on ORDA's famed Olympic venues during the year.

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.

ORDA did have some electrical issues at the Ski areas, along with construction at the Highway Elevator that impacted the financials. These are being addressed so as not to be an ongoing issue.

Staffing was an issue at all venues as well as with the food and beverage vendor.

### ***Revenues, Expenses, and Changes in Net Position***

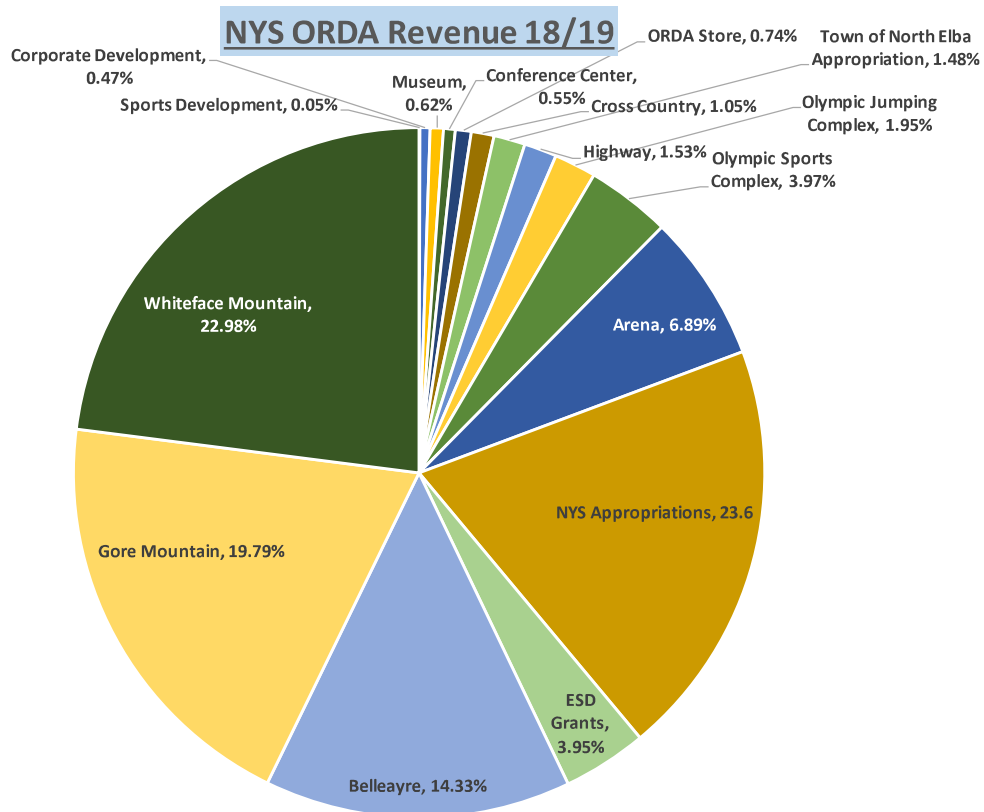
ORDA's 2018/2019 operating revenue increased by 10% as compared to the 2017/2018 season. The 2018/2019 season revenue was boosted by above average snowfall, above average skier days, improvements to snowmaking, and improvements to the facilities.

Management has taken extraordinary steps to decrease personal service expense in the past several years, so much so that additional cuts in that area would be unproductive, even detrimental to ORDA's bottom line. All expenses are closely monitored to make sure that they are appropriate and reasonable.

There was an increase to the sponsorship sales from previous year from \$863K to \$960K due to in part to the 100% renewal rate and incremental, more aggressive sales packages. ORDA experienced record visitation during Presidents' Week due to good weather and several tour groups. Due to an expanded sales effort, targeted social media and increase in public awareness we had record sales at MT Van Hoevenberg cross county facility.

Gore Mountain, for the second time ever, hit the \$10M sales mark due to an overall sales/marketing strategies and earlier, more terrain open. Record usage of the oval for public skating due in part to consistent programming and renewed sales efforts. Partnering with over 15 regional and out of state ski resorts saw an expanded reciprocal program.

Graphic presentation of revenue and expense by venue and type follow to assist the analysis of ORDA's activities for fiscal year 2019.

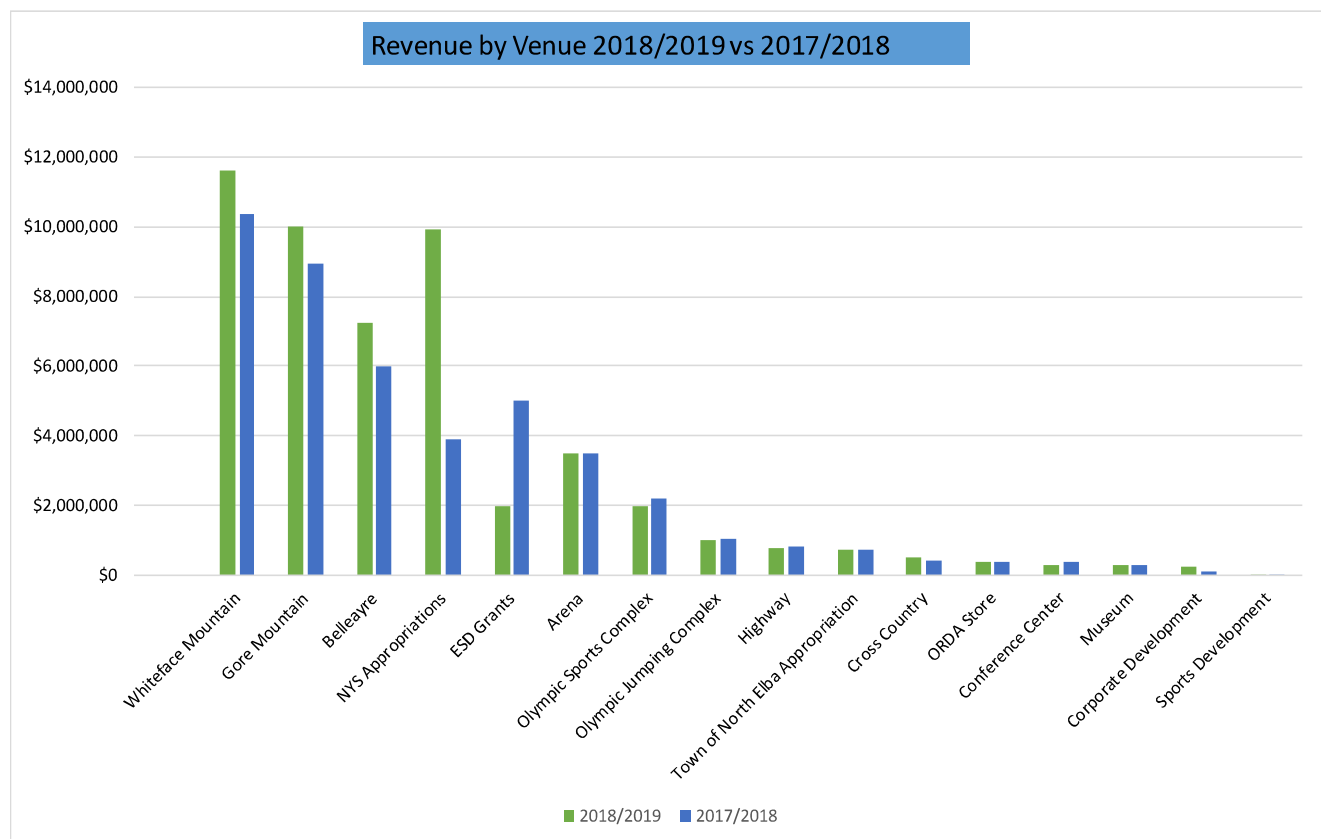


The revenue by venue pie chart for 2018/2019 shows that Whiteface Mountain continues to be the venue producing the most revenue at 22.98%, followed by Gore Mountain at 19.79% and Belleayre Mountain at 14.33%; support from the State of New York was approximately 23.6%, Town of North Elba contributed 1.48%, and the remaining 17.82% comes from the other venues, the ORDA store, corporate marketing and sports development.



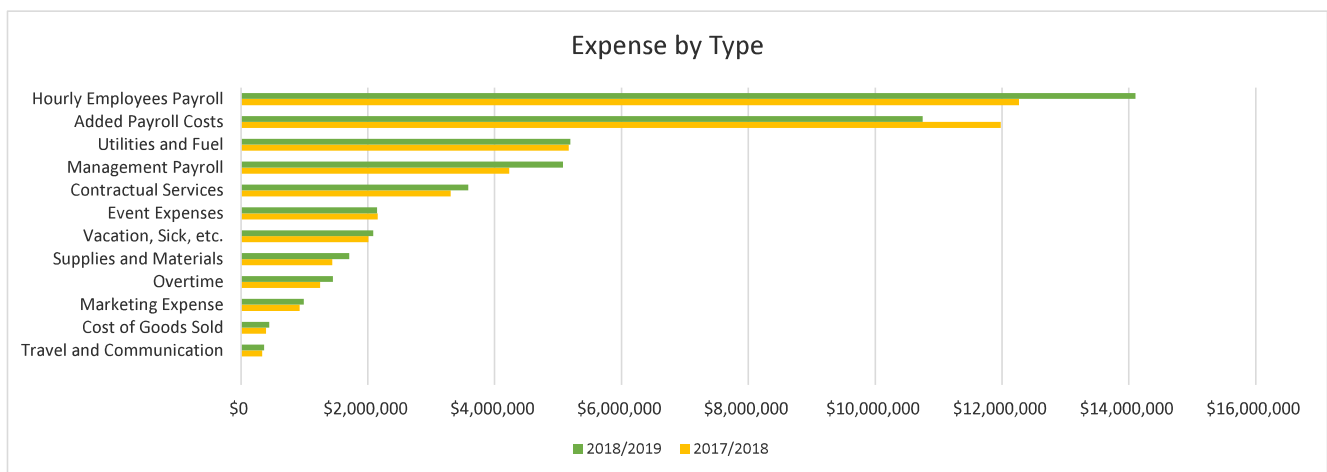
### Revenue by Venue Bar Chart

The bar graph below shows that nearly all venues have growth.



### 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, 2019 and 2018 were \$132,938,524 and \$104,044,195, respectively. The net increase in capital assets at March 31, 2019 was \$28,894,329. 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 and installment debt of \$5.9 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 \$58.3 million, a net pension liability of \$1.5 million, amounts due to NYSERS of \$1.4 million and compensated absences of \$3.9 million.

## **Short Term Debt**

ORDA currently has a line of credit of \$7 million, of which \$5.4 million was outstanding as of March 31, 2019. 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**

Since its inception, ORDA and its venues have been the training and competition destinations for collegiate, national and international athletes. ORDA's Olympic legacy continues to serve as the benchmark for future Olympic cities, having hosted more than 470 major national and international events and competitions since the 1980 Olympic Winter Games.

In 2018/2019, ORDA's expansive facilities continued to be a primary catalyst for economic impact in both the Adirondack and Catskill regions. Generating over \$100-million of direct spending and another \$50-million of indirect spending, ORDA's positive impact can be felt on the many lives and businesses it helps to support. In fact several new developers are looking at private investment in and around the Belleayre, Gore and Whiteface Mountains. Two new lodging properties are currently being proposed in the Lake Placid region. The Village of Lake Placid is not requiring private air B&B to have a minimum night stay, making it more favorable for private bookings.

## **Next Year's Forecast**

2019/2020 early season SKI3 pass sales again started out strong with the option to purchase using a payment plan. Automatic payments are charged on the 15<sup>th</sup> of each month following a down payment. There are no additional fees. In total there was an increase of Season Pass holder by over 15%. There will be an extensive rebranding of the Olympic Sites along with social media tracking. A new Ecommerce platform will allow for bundled products and dynamic pricing.

ORDA will continue to make improvements to efficiencies and modernizations to all of its venues with the direct support of the Governor. Many projects are being planned out as a two or even three-phase project. This planning allows us to achieve our goals and maintain our mission. Technology investments including a new e-commerce platform, networking, and RFID gates. Year-round summer attractions are also being prioritized.

ORDA's tentative 2019/2020 calendar of events will include:

<b>Nov. 25-Dec. 1</b>	FIL World Cup Luge
<b>Dec. 9-15</b>	IBSF World Cup Bobsled and Skeleton
<b>Jan. 3-9</b>	IBSF North America Cup & Women's MonoBob
<b>Jan. 20-24</b>	Intercontinental Cup Skeleton
<b>Jan. 24-26</b>	U.S. Speed Skating AmCup3 – Long Track Speedskating
<b>Jan. 27-31</b>	U.S. Ski & Snowboard Holeshot Tour
<b>Jan. 31-Feb.2</b>	41 <sup>st</sup> Annual Empire State Games
<b>Feb. 3-8</b>	IBSF ParaBobsleigh World Cup
<b>Feb. 29-Mar. 1</b>	USA Luge Youth National Championships
<b>Mar. 8-14</b>	USCSA Ski and Snowboard National Championships
<b>Mar. 18-21</b>	59 <sup>th</sup> ECAC Men's Hockey Championship
<b>Mar. 20-21</b>	USA Bobsled & Skeleton National Championships
<b>Apr. 1-4</b>	2020 ISU World Synchronized Skating Championships

2020 marks the 40<sup>th</sup> Anniversary of the Miracle on Ice hockey game.

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, 2019**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	13,777,273
Inventory	102,863
Accounts receivable, net	2,388,400
Prepaid expenses	<u>426,204</u>

Total current assets 16,694,740

PROPERTY, PLANT AND EQUIPMENT, net 132,938,524

**DEFERRED OUTFLOW OF RESOURCES**

Deferred outflow of resources - Other post employment benefits	1,784,902
Deferred outflow of resources - Pension	<u>5,808,975</u>

Total deferred outflow of resources 7,593,877

Total assets and deferred outflows of resources \$ 157,227,141

**LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable	\$ 2,659,388
Line of credit	5,412,714
Accrued liabilities	3,216,525
Current portion - Capital leases	691,478
Current portion - Installment debt	1,493,000
Current portion - New York State Employees' Retirement System	254,838
Advanced collections	<u>1,276,105</u>

Total current liabilities 15,004,048

**OTHER LIABILITIES:**

Due to New York State Office of General Services	2,972,731
Capital lease obligations, net of current portion	3,714,458
Due to New York State Employees' Retirement System	1,163,087
Accrued compensated absences	3,863,607
Net pension liability	1,550,133
Other post employment benefits	<u>58,333,794</u>

Total other liabilities 71,597,810

Total liabilities 86,601,858

**DEFERRED INFLOW OF RESOURCES**

Deferred inflow of resources - Other post employment benefits	4,752,557
Deferred inflow of resources - Pension	<u>5,303,892</u>

Total deferred inflow of resources 10,056,449

Total liabilities and deferred inflows 96,658,307

**NET POSITION:**

Net investment in capital assets	127,039,588
Unrestricted	<u>(66,470,754)</u>

Total Net Position \$ 60,568,834

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, 2019**

<b>Operating Revenues</b>	
Earned revenue	37,199,675
Sponsorships and in-kind contributions	<u>1,451,985</u>
Total Operating Revenues	<u>\$ 38,651,660</u>
<b>Operating Expenses</b>	
Personal services	\$ 32,336,154
Depreciation	9,419,139
Utilities and fuel	5,193,742
Post employment benefits	1,366,562
Contractual services	5,645,356
Event related costs	2,147,959
Supplies and materials	1,707,700
Marketing	992,219
Loss on disposal of assets	677,796
Fees, dues	362,659
Cost of goods sold	444,154
Communications	245,468
Travel and lodging	122,450
Bad debts	<u>7,100</u>
Total Operating Expenses	<u>60,668,458</u>
<b>Operating Loss</b>	<u>(22,016,798)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Appropriations - New York State	9,940,000
Appropriations - Town of North Elba	750,145
Interest income	36
Interest expense	<u>(359,513)</u>
Total Non-Operating Revenue	<u>10,330,668</u>
<b>Loss Before Capital Contributions</b>	<u>(11,686,130)</u>
<b>Capital Contributions</b>	
New York State capital appropriations	42,700,000
Other New York State agency capital appropriations	2,035,764
Other	<u>22,888</u>
Total Capital Contributions	<u>44,758,652</u>
<b>Change in Net Position</b>	33,072,522
<b>Net Position, Beginning of Year, as previously reported</b>	46,545,504
Cumulative effect of change in accounting principle (Note 3)	<u>(19,049,192)</u>
<b>Net Position, Beginning of Year, as restated</b>	<u>27,496,312</u>
<b>Net Position, End of Year</b>	<u>\$ 60,568,834</u>

The accompanying notes are an integral part of these statements.

**OLYMPIC REGIONAL DEVELOPMENT AUTHORITY  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2019**

**Cash Flows From Operating Activities**

Receipts from customers	\$ 39,157,448
Payments to employees	(32,671,859)
Payments to suppliers	<u>(16,738,361)</u>
Net Cash Provided (Used) Operating Activities	<u>(10,252,772)</u>

**Cash Flows From Noncapital Financing Activities**

Appropriations received from State and Town of North Elba	<u>10,690,145</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>10,690,145</u>

**Cash Flows From Capital and Related Financing Activities**

New York State and other capital contributions	44,758,652
Additions to property, plant and equipment	(38,998,364)
Principal paid on capital lease obligations	(738,980)
Principal paid on installment debt	(1,493,000)
Interest paid on debt	<u>(359,513)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>3,168,795</u>

**Cash Flows From Investing Activities**

Interest income	<u>36</u>
Net Cash Provided by Investing Activities	<u>36</u>

**Net Increase (Decrease) in Cash and Cash Equivalents** 3,606,204

Cash and Cash Equivalents, Beginning of Year 10,171,069

**Cash and Cash Equivalents, End of Year** \$ 13,777,273

**Reconciliation of Net Loss From Operations to Net Cash**

**Used By Operating Activities**

Operating loss	\$ (22,016,798)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	9,419,139
Loss on disposal of assets	677,796
Bad debts	7,100
Pension items - Employees' Retirement System	(112,987)
Other post employment benefits	1,366,562
(Increase) decrease in assets:	
Inventory	(4,865)
Accounts receivable	365,808
Prepaid expenses	85,562
Increase (decrease) in liabilities:	
Accounts payable	36,682
Accrued liabilities	5,967
Due to New York State Employees' Retirement System	(246,723)
Compensated absences	24,005
Advanced collections	<u>139,980</u>
Net Cash Provided (Used) By Operating Activities	<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, 2019**

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**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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Cash and Cash Equivalents (Continued)

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

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

At March 31, 2019, deposits were fully insured and/or collateralized by ORDA's agent 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, 2019, 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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **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.

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

### **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, 2019 \$1,079,756 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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.

### Donated Services

During the year ended March 31, 2019 the recorded value of donated ski patrol services was approximately \$524,105.

## 3. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

During 2019, ORDA adopted Governmental Accounting Standards Board Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to certain postemployment benefits. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accordingly, beginning net position and other postemployment benefits on the statement of net position were adjusted as noted in the following table:

	Deferred Outflows of Resources	Net OPEB Liability	Net Position
Balance at March 31, 2018, as previously reported	\$ -	\$ 40,885,695	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 75			
Other postemployment benefits	<u>1,375,491</u>	<u>20,424,683</u>	<u>19,049,192</u>
Balance at March 31, 2018, as restated	<u>\$ 1,375,491</u>	<u>\$ 61,310,378</u>	<u>\$ 19,049,192</u>

#### 4. 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, 2019, all of ORDA's cash or cash equivalent balances of \$13,777,273, 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>2019</u>
Trade receivables	\$ 2,548,152
FSA receivables	(591)
Employee advances	<u>176</u>
	2,547,737
Less: allowance for doubtful accounts	<u>159,337</u>
Accounts receivable, net	<u>\$ 2,388,400</u>

#### 5. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of the following as of March 31, 2019:

	<u>Balance April 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31</u>
Land	\$ 145,000	\$ -	\$ -	\$ 145,000
Property and plant	150,957,840	30,120,395	10,199,639	170,878,596
Equipment, furniture and vehicles	67,865,247	8,344,484	7,474,218	68,735,513
Construction in progress	<u>21,779,464</u>	<u>533,485</u>	<u>669,416</u>	<u>21,643,533</u>
Total	240,747,551	38,998,364	18,343,273	261,402,642
Less: accumulated depreciation	<u>136,703,356</u>	<u>9,419,139</u>	<u>17,658,377</u>	<u>128,464,118</u>
Property, Plant and Equipment, net	<u>\$104,044,195</u>	<u>\$ 29,579,225</u>	<u>\$ 684,896</u>	<u>\$132,938,524</u>

## 6. ADVANCED COLLECTIONS

Advanced collections consist of the following as of March 31:

	<u>2019</u>
General and event sponsorships	\$ 169,161
Advance sales	<u>1,106,944</u>
	<u>\$ 1,276,105</u>

## 7. LINE OF CREDIT

In March 2019, ORDA extended its \$7,000,000 tax-exempt bank line of credit. The outstanding balance at March 31, 2019 was \$5,412,714. The agreement stated interest to be paid monthly on outstanding borrowings at LIBOR rate plus 2.00%, for 2019. The outstanding balance is secured by assets of ORDA. 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, 2019 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>\$ -</u>	<u>\$ 5,412,714</u>

## 8. LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended March 31, 2019 are summarized below:

	(Restated) <u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	Amounts <u>Due Within One Year</u>	<u>Long-term Portion</u>
Capital lease obligations	\$ 5,144,916	\$ -	\$ 738,980	\$ 4,405,936	\$ 691,478	\$ 3,714,458
Installment debt	2,986,000	-	1,493,000	1,493,000	1,493,000	-
Due to NYS and Local Employee Retirement System (ERS)	1,664,648	-	246,723	1,417,925	254,838	1,163,087
Compensated absences	3,839,602	24,005 (A)	-	3,863,607	-	3,863,607
Net pension liability	4,693,767	- (A)	3,143,634	1,550,133	-	1,550,133
Other post retirement benefits	<u>61,310,377</u>	<u>12,344,851</u>	<u>15,321,434</u>	<u>58,333,794</u>	<u>-</u>	<u>58,333,794</u>
Total	<u>\$ 79,639,310</u>	<u>\$ 12,368,856</u>	<u>\$ 20,943,771</u>	<u>\$ 71,064,395</u>	<u>\$ 2,439,316</u>	<u>\$ 68,625,079</u>

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

ORDA has 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 is payable 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%.

Certain equipment purchases were financed through the New York Power Authority (NYPA). Payments are made monthly at \$33,976 through August 2024 with interest at 0.88%.

ORDA financed the purchase of a scoreboard with a lease through PNC Finance. Semi-annual payment amounts are \$64,400 through July 2020 with interest at 1.17%.

ORDA financed the purchase of snow equipment with M2 Lease Funds. Annual payments of \$141,866 will be made through September 2019 with an interest rate of 2.18%.

ORDA financed the 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%.

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

2020	\$ 743,633
2021	523,381
2022	509,395
2023	254,697
2024	<u>2,474,649</u>
	4,505,755
Less: Amount representing interest	<u>99,819</u>
Present value of net minimum lease payments	<u>\$ 4,405,936</u>

Assets held under capital assets are as follows:

	<u>2019</u>
Equipment	\$ 15,105,688
Less: accumulated depreciation	<u>8,071,179</u>
Net leased property	<u>\$ 7,034,509</u>

Total cash paid for interest expense was \$359,513 for the year ended March 31, 2019.

## 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 the 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.

### 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:

2019	\$	1,910,089
2018	\$	1,769,336
2017	\$	1,875,924

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 \$1,417,925 of which \$254,838 is included in current portion and \$1,163,087 in long-term debt at March 31, 2019.

## 10. PENSION PLANS (Continued)

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

At March 31, 2019, ORDA reported a liability of \$1,550,133 as its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by the 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, 2019, ORDA's proportion was 0.0480297%.

For the year ended March 31, 2019, ORDA recognized pension expense of \$1,803,464. At March 31, 2019, ORDA reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 552,882	\$ 456,881
Changes of Assumptions	1,027,866	-
Net difference between projected and actual earnings on pension plan investments	2,251,446	4,444,128
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	66,692	402,883
Contributions subsequent to the measurement date	1,910,089	-
	<u>\$ 5,808,975</u>	<u>\$ 5,303,892</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:

2019	\$ 261,274
2020	114,844
2021	(1,214,089)
2022	<u>(567,035)</u>
	<u>\$ (1,405,006)</u>

Of the total reported as deferred outflows of resources, \$1,910,089 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.



## 10. PENSION PLANS (Continued)

### Actuarial Assumptions

The total pension liability at March 31, 2018, was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	3.8% indexed by service
Projected COLAs	1.3% compounded annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

### 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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018, 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%	7.75%
Real Estate	10.0%	5.80%
Absolute Return	2.0%	4.00%
Opportunistic Portfolio	3.0%	5.89%
Real Asset	3.0%	5.54%
Bonds and mortgages	17.0%	1.31%
Cash	1.0%	-0.25%
Inflation Indexed Bonds	4.0%	1.50%

## 10. PENSION PLANS (Continued)

### 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:

	1 % Decrease (6.0%)	Current Assumption	1% Increase (8.0%)
Proportionate Share of Net Pension liability (asset)	\$ 11,728,724	\$ 1,550,133	\$ (7,060,548)

### Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2019, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 183,400,590,000
Net position	(180,173,145,000)
Net pension liability	\$ 3,227,445,000
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, ORDA has the following balances outstanding:

	2019
New York State and Local Employees' Retirement System	\$ 1,417,925
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, 2019. There was no reduction in insurance coverage during the year ended March 31, 2019.

### **Service America Corporation Capital Contribution**

During 2004, ORDA and Service America Corporation, d/b/a Centerplate (Centerplate) entered into a concessions contract, effective June 1, 2004 through May 31, 2009, for all venues in the Lake Placid and Wilmington regions. ORDA extended the contract through July 15, 2021. As part of the current contract, ORDA shall invest an amount not to exceed \$500,000 in the facilities which shall be used for upgrades and improvements in the food service premises as may be mutually agreed upon by the parties.

In 2012, when ORDA assumed management responsibility of the Belleayre Ski Area, ORDA also assumed the agreement between the NYS Department of Environmental Conservation and Centerplate to manage the Belleayre Ski & Snowboard Sport Retail Shop and Demo Center through October 31, 2014. In October 2013, ORDA amended the agreement with Centerplate to continue through July 15, 2021, to correspond with the contract noted above to include all of ORDA's venues.

## **13. OTHER POST EMPLOYMENT BENEFITS**

### **Plan Description**

ORDA provides certain health care benefits for retired employees. ORDA administers the 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 at March 31, 2019. Eligible employees must have had 10 years of service under NYSEERS, 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 2019 was approximately \$1,375,000.

### 13. OTHER POST EMPLOYMENT BENEFITS (Continued)

#### Employees Covered by Benefit Terms

At March 31, 2019, 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>388</u>

#### Net OPEB Liability

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

#### 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	2.5 percent
Payroll Growth	3.0 percent
Discount Rate	3.89 percent as of March 31, 2018
Healthcare Cost Trend Rates	5.5 percent for 2018, 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-2014 headcount-weighted mortality tables with adjustments for mortality improvements based on Scale MP-2017.

#### Changes in the Total OPEB Liability

Changes of assumptions and other inputs reflect a change in the discount rate from 3.70% in 2018 to 3.89% in 2019.

#### 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>(2.89)</u>	<u>(3.89)</u>	<u>(4.89%)</u>
Total OPEB Liability	<u>\$ 69,553,328</u>	<u>\$ 58,333,793</u>	<u>\$ 51,318,448</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 (6.5%)	Current Discount (5.5%)	1% Increase (7.5%)
Total OPEB Liability	\$ 51,332,169	\$ 58,333,793	\$ 69,493,580

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

For the year ended March 31, 2019, ORDA recognized OPEB expense of \$1,366,562. At March 31, 2019, ORDA reported deferred outflow and inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ (7,157,662)
Net difference between projected and actual earnings on investments		11,910,219
Benefit payments subsequent to measurement date	<u>1,784,982</u>	<u>-</u>
Total	<u>\$ 1,784,982</u>	<u>\$ 4,752,557</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>
2020	\$ (812,319)
2021	(812,319)
2022	(812,319)
2023	(812,319)
2024	(812,319)
Thereafter	<u>(690,962)</u>
	<u>\$ (4,752,557)</u>

**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, 2019**

		Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total OPEB Liability</b>											
Service cost	\$	1,578,808									
Interest		2,384,974									
Changes of benefit terms		-									
Differences between expected and actual experience		8,381,068									
Changes in assumptions		(13,945,943)									
Benefit payments		(1,375,491)									
<b>Total change in total OPEB liability</b>	<b>\$</b>	<b>(2,976,584)</b>									
<b>Total OPEB liability - beginning</b>		<b>61,310,377</b>									
<b>Total OPEB liability - ending</b>	<b>\$</b>	<b>58,333,793</b>									
<b>Covered-employee payroll</b>		<b>11,087,066</b>									
<b>Total OPEB liability as a percentage of covered-employee payroll</b>		<b>526.14%</b>									

**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 3.89%

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, 2019

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability	0.0480297%	0.0499538%	0.0509013%	0.050556%							
Proportionate share of the net pension liability	\$ 1,550,133	\$ 4,693,767	\$ 8,169,798	\$ 1,707,916							
Covered-employee payroll	\$ 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	11.41%	38.75%	67.63%	10.80%							
Plan fiduciary net position as a percentage of the total pension liability	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.

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, 2019**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 1,910,089	\$ 1,769,336	\$ 1,875,924	\$ 1,968,469							
Contributions in relation to the contractually required contribution	\$ 1,910,089	\$ 1,769,336	\$ 1,875,924	\$ 1,968,469							
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -							
Covered-employee payroll	\$ 13,582,728	\$ 12,112,688	\$ 12,080,731	\$ 15,817,870							
Contributions as a percentage of covered-employee payroll	14.06%	14.61%	15.53%	12.44%							

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.

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 24, 2019

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, 2019, and the related notes to the financial statements, which collectively comprise ORDA's basic financial statements and have issued our report thereon dated June 24, 2019.

**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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be a material weakness. [2019-001].

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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*.

**ORDA's Response to Findings**

ORDA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. ORDA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.

*Bonadio & Co., LLP*

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

**SCHEDULE OF FINDINGS AND RESPONSES  
March 31, 2019**

**2019-001 – GENERAL LEDGER RECONCILIATION**

**Criteria:** General ledger accounts should be reconciled to subsidiary ledgers and/or supporting documentation on an ongoing basis to ensure the financial reports produced by ORDA are accurate throughout the year.

**Condition:** During our audit of accounts receivable, advanced collections, and property, plant and equipment, it was noted that the general ledger accounts were not reconciled to subsidiary ledgers or to other supporting documentation. Accounts receivable and advanced collections were not reconciled to subsidiary ledgers resulting in a material reduction in accounts receivable, a material reduction in advanced collections, and the remaining balance adjusted through revenue.

During our audit of property, plant and equipment, it was noted that the property, plant and equipment schedule did not agree to the general ledger by a material amount, which required an adjustment to property, plant and equipment. It was also noted that items that are considered repairs and maintenance were being recorded as construction in process, which required a journal entry to reduce construction in process and increase operating expenses.

**Cause:** ORDA did not reconcile accounts receivable, advanced collections, or property, plant and equipment on an ongoing basis.

**Effect:** Accounts receivable, advanced collections, and property, plant and equipment were misstated which corresponded to revenue being overstated and expenditures being understated. Accordingly, the general ledger did not properly reflect ORDA's financial position.

**Recommendation:** We recommend that ORDA implement a policy that requires reconciliation of all material accounts on a monthly basis. Reconciliations should then be reviewed by the Director of Finance to ensure accuracy.

**Management's response:** The accuracy and integrity of financial reporting is very important to ORDA. Accordingly, we intend to correct the accounting deficiencies noted above during the fiscal year ending March 31, 2020.