

STATE OF NEW HAMPSHIRE
STATE TREASURY
STATE HOUSE ANNEX
25 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301

ADDENDUM #1 TO RFP TR 2016-01

- 1) The RFP states the “anticipated source of repayments” to be of legally available funds, subject to annual appropriation of funds by the legislative/fiscal body. Given Cannon Mountain is part of the state’s Department of Resources and Economic Development, a state agency, will DRED be appropriating funds to cover lease payments or will this function sit at the state level?

The Legislature will appropriate funds to the Agency, Department of Resources and Economic Development, to cover lease payments as part of the budget process.

- 2) As a caveat, previous bonds issued for Cannon Mountain have been serviced by private lease revenue from Mt. Sunapee, is that also true in this transaction?

No. It is expected that energy savings guaranteed by the ESCO will be sufficient to fund the lease payments.

- 3) Will the state cover any budgetary shortfalls for DRED (specifically as it relates to debt service)?

Lease payments are made pursuant to RSA 6:35 and 21:1:19(a) through (e) subject to annual appropriation.

- 4) Does Cannon Mountain provide additional revenues to the state, or are its operating profits distributed to other less profitable parks?

Operating profits are rolled into a dedicated fund at year end.

<http://www.gencourt.state.nh.us/rsa/html/XIX/216-A/216-A-3-i.htm>

- 5) Can we please see Cannon Mountain’s fiscal 2014 audit of its operating fund, and capital improvement fund (fiscal 2015, if available)?
 - a. If the 2014 audit does not contain, can you please provide a 3-year operating history for Cannon? **ATTACHED**

Cannon Mountain’s 2014 audit can be access at the following location:

[http://www.gencourt.state.nh.us/LBA/AuditReports/FinancialReports/pdf/Cannon Mountain in Report FY2014.pdf](http://www.gencourt.state.nh.us/LBA/AuditReports/FinancialReports/pdf/Cannon_Mountain_Report_FY2014.pdf)

6) Does the state have any additional capital projects anticipated for Cannon Mountain?

The state does have anticipated capital projects as a matter of regular business primarily through authorization granted by the Cannon Mountain Capital Improvement Fund. <http://www.gencourt.state.nh.us/rsa/html/l/12-A/12-A-29-c.htm>

7) Are there any current plans for privatization of Cannon Mountain? If yes, what is the case for preventing this action from occurring?

No current plans for privatization.

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| 1 | STATE OF NEW HAMPSHIRE | | | | | | | |
| 2 | DEPARTMENT OF RESOURCES AND ECONOMIC | | | | | | | |
| 3 | DIVISION OF PARKS AND RECREATION | | | | | | | |
| 4 | CANNON SUMMARY | | | | | | | |
| 5 | PROFIT AND LOSS STATEMENTS - FY2013 | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | Cannon | | | | |
| 8 | | | | Operations | Retail Operatons | | | |
| 9 | Description | | | 3703 | 3704 | Total | | |
| 10 | Beg Bal | | | (19,851) | 455 | (19,396) | | |
| 11 | | | | | | | | |
| 12 | Additions | | | | | | | |
| 13 | Revenues | | | | | | | |
| 14 | Camping | | | | | - | | |
| 15 | Attendance | | | | | - | | |
| 16 | Ski Revenue | | | 5,598,858 | | 5,598,858 | | |
| 17 | Seacoast Parking Meters | | | | | - | | |
| 18 | Concessions / Snow Sports | | | | 1,646,535 | 1,646,535 | | |
| 19 | Other | | | | | - | | |
| 20 | Leases | | | | | - | | |
| 21 | Total Revenue | | | 5,598,858 | 1,646,535 | 7,245,393 | | |
| 22 | Less Cost of Goods Sold | | | | (375,787) | (375,787) | | |
| 23 | Net Revenues | | | 5,598,858 | 1,270,748 | 6,869,606 | | |
| 24 | Transfers | | | | | | | |
| 25 | Parks Revenue Allocation | | | | | - | | |
| 26 | Hampton Transfers | | | | | - | | |
| 27 | Cannon Transfers to Parks (HB 2) | | | (712,913) | | (712,913) | | |
| 28 | Concessions Transfers | | | 595,282 | (595,282) | - | | |
| 29 | Fish & Game Transfer | | | (50,000) | | (50,000) | | |
| 30 | General Fund Share | | | | | - | | |
| 31 | Total Transfers | | | (167,631) | (595,282) | (762,913) | | |
| 32 | Total Additions | | | 5,431,227 | 675,466 | 6,106,693 | | |
| 34 | Decreases | | | | | | | |
| 35 | Expenditures | | | | | | | |
| 36 | Full Time Salaries (010,011) | | | 663,786 | | 663,786 | | |
| 37 | Holiday / Overtime (018/019) | | | 48,261 | 6,685 | 54,946 | | |
| 38 | Temporary Salaries (050) | | | 866,422 | 388,854 | 1,255,276 | | |
| 39 | Full Time Temp Salaries (059) | | | 210,133 | 46,283 | 256,416 | | |
| 40 | Benefits (060) | | | 584,783 | 49,690 | 634,473 | | |
| 41 | Total Compensation | | | 2,373,385 | 491,512 | 2,864,897 | | |
| 42 | Current Expense (020) | | | 604,839 | 49,691 | 654,530 | | |
| 43 | Rents (022) | | | 342,991 | | 342,991 | | |
| 44 | Utilities (023) | | | 1,120,518 | 43,759 | 1,164,277 | | |
| 45 | Maintenance (024,047,048) | | | 290,261 | 12,021 | 302,282 | | |
| 46 | OIT (027) | | | 31,036 | | 31,036 | | |
| 47 | Equipment (030) | | | 55,345 | 71,699 | 127,044 | | |
| 48 | Debt Service / Land Acquisition (033,044) | | | 86,753 | | 86,753 | | |
| 49 | Addl Fringe Benefits (042) | | | 46,000 | 1,000 | 47,000 | | |
| 50 | Workers Comp/Unemp (061,062) | | | 74,801 | | 74,801 | | |
| 51 | Promotional (069) | | | 287,035 | | 287,035 | | |
| 52 | Contracts Prog/Ops Svs (102,103) | | | | | - | | |
| 53 | Other | | | 58,817 | 6,239 | 65,056 | | |
| 54 | Total Expenditures | | | 5,371,781 | 675,921 | 6,047,702 | | |
| 55 | Revenues & Additions over Expenditures | | | 59,446 | (455) | 58,991 | | |
| 56 | Encumbrances | | | 20,493 | (455) | 20,038 | | |
| 57 | End Bal | | | 38,953 | - | 38,953 | | |
| 58 | | | | | | | | |

| | A | B | C | D | E | F | G | H |
|----|---|---|-------------------|-------------------------|---|--------------|---|---|
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| 3 | DIVISION OF PARKS AND RECREATION | | | | | | | |
| 4 | CANNON SUMMARY | | | | | | | |
| 5 | PROFIT AND LOSS STATEMENTS - FY2014 | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | Cannon | | | | | |
| 8 | | | Operations | Retail Operatons | | | | |
| 9 | Description | | 3703 | 3704 | | Total | | |
| 10 | Beg Bal | | 38,953 | - | | 38,953 | | |
| 11 | | | | | | | | |
| 12 | Additions | | | | | | | |
| 13 | Revenues | | | | | | | |
| 14 | Camping | | | | | - | | |
| 15 | Attendance | | | | | - | | |
| 16 | Ski Revenue | | 5,886,223 | | | 5,886,223 | | |
| 17 | Seacoast Parking Meters | | | | | - | | |
| 18 | Concessions / Snow Sports | | | 1,664,879 | | 1,664,879 | | |
| 19 | Other | | | | | - | | |
| 20 | Leases | | | | | - | | |
| 21 | Total Revenue | | 5,886,223 | 1,664,879 | | 7,551,102 | | |
| 22 | Less Cost of Goods Sold | | | (446,437) | | (446,437) | | |
| 23 | Net Revenues | | 5,886,223 | 1,218,442 | | 7,104,665 | | |
| 24 | Transfers | | | | | | | |
| 25 | Parks Revenue Allocation | | | | | - | | |
| 26 | Hampton Transfers | | | | | - | | |
| 27 | Cannon Transfers to Parks (HB 2) | | (324,903) | | | (324,903) | | |
| 28 | Concessions Transfers | | 539,304 | (539,304) | | - | | |
| 29 | Total Transfers | | 214,401 | (539,304) | | (324,903) | | |
| 30 | Total Additions | | 6,100,624 | 679,138 | | 6,779,762 | | |
| 31 | | | | | | | | |
| 32 | Decreases | | | | | | | |
| 33 | Expenditures | | | | | | | |
| 34 | Full Time Salaries (010,011) | | 688,242 | | | 688,242 | | |
| 35 | Holiday / Overtime (018/019) | | 51,617 | 3,979 | | 55,596 | | |
| 36 | Temporary Salaries (050) | | 880,738 | 404,162 | | 1,284,900 | | |
| 37 | Full Time Temp Salaries (059) | | 243,983 | 43,030 | | 287,013 | | |
| 38 | Benefits (060) | | 647,113 | 51,530 | | 698,643 | | |
| 39 | Total Compensation | | 2,511,693 | 502,701 | | 3,014,394 | | |
| 40 | Current Expense (020,39) | | 602,565 | 55,206 | | 657,771 | | |
| 41 | Rents (022) | | 355,519 | | | 355,519 | | |
| 42 | Utilities (023) | | 1,117,752 | 35,911 | | 1,153,663 | | |
| 43 | Maintenance (024,047,048) | | 196,388 | 49,858 | | 246,246 | | |
| 44 | DD&M / Bus Office (029) | | | | | - | | |
| 45 | OIT (029) | | 109,045 | | | 109,045 | | |
| 46 | Equipment (030) | | 63,542 | 14,752 | | 78,294 | | |
| 47 | Debt Service / Land Acquisition (033,044) | | 84,688 | | | 84,688 | | |
| 48 | Addl Fringe Benefits (042) | | 74,115 | 1,000 | | 75,115 | | |
| 49 | Workers Comp/Unemp (061,062) | | 638,850 | | | 638,850 | | |
| 50 | Promotional (069) | | 292,225 | | | 292,225 | | |
| 51 | Contracts Prog/Ops Svs (102,103) | | 2,299 | 15,825 | | 18,124 | | |
| 52 | Other (026,049,070,080,066) | | 64,336 | 2,000 | | 66,336 | | |
| 53 | Total Expenditures | | 6,113,017 | 677,253 | | 6,790,270 | | |
| 54 | Revenues & Additions over Expenditures | | (12,393) | 1,885 | | (10,508) | | |
| 55 | Encumbrances | | 26,560 | 1,885 | | 28,445 | | |
| 56 | End Bal | | - | - | | - | | |
| 57 | | | | | | | | |

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| 4 | CANNON SUMMARY | | | | | | | |
| 5 | PROFIT AND LOSS STATEMENTS - FY2015 | | | | | | | |
| 6 | | | | | | | | |
| 7 | Cannon | | | | | | | |
| 8 | | | | | | | | |
| 9 | Description | Operations 3703 | Retail Operations 3704 | | | | Total | |
| 10 | Beg Bal | 26,560 | 1,885 | | | | 28,445 | |
| 11 | | | | | | | | |
| 12 | Additions | | | | | | | |
| 13 | Revenues | | | | | | | |
| 14 | Camping | | | | | | - | |
| 15 | Attendance | | | | | | - | |
| 16 | Ski Revenue | 6,083,049 | | | | | 6,083,049 | |
| 17 | Seacoast Parking Meters | | | | | | - | |
| 18 | Concessions / Snow Sports | | 1,704,207 | | | | 1,704,207 | |
| 19 | Other | | | | | | - | |
| 20 | Leases | | | | | | - | |
| 21 | Total Revenue | 6,083,049 | 1,704,207 | | | | 7,787,257 | |
| 22 | Less Cost of Goods Sold | | (480,523) | | | | (480,523) | |
| 23 | Net Revenues | 6,083,049 | 1,223,684 | | | | 7,306,734 | |
| 24 | Transfers | | | | | | | |
| 25 | Parks Revenue Allocation | | | | | | - | |
| 26 | Hampton Transfers | | | | | | - | |
| 27 | Cannon Transfers to Parks (HB 2) | (322,679) | | | | | (322,679) | |
| 28 | Concessions Transfers | 522,068 | (522,068) | | | | - | |
| 29 | Fish & Game Transfer | | | | | | - | |
| 30 | General Fund Share | | | | | | - | |
| 31 | Total Transfers | 199,389 | (522,068) | | | | (322,679) | |
| 32 | Total Addition | 6,282,438 | 701,617 | | | | 6,984,055 | |
| 33 | | | | | | | | |
| 34 | Decreases | | | | | | | |
| 35 | Expenditures | | | | | | | |
| 36 | Full Time Salaries (010,011) | 670,160 | | | | | 670,160 | |
| 37 | Holiday / Overtime (018/019) | 64,379 | 6,099 | | | | 70,478 | |
| 38 | Temporary Salaries (050) | 955,826 | 451,905 | | | | 1,407,731 | |
| 39 | Full Time Temp Salaries (059) | 289,496 | 52,299 | | | | 341,795 | |
| 40 | Benefits (060) | 668,075 | 56,196 | | | | 724,271 | |
| 41 | Total Comper | 2,647,937 | 566,499 | | | | 3,214,436 | |
| 42 | Current Expense (020,39) | 538,567 | 66,558 | | | | 605,125 | |
| 43 | Rents (022) | 318,774 | | | | | 318,774 | |
| 44 | Utilities (023) | 1,498,446 | 17,967 | | | | 1,516,413 | |
| 45 | Maintenance (024,047,048) | 194,324 | 12,330 | | | | 206,654 | |
| 46 | DD&M / Bus Office (029) | 89,227 | - | | | | 89,227 | |
| 47 | OIT (029) | - | - | | | | - | |
| 48 | Equipment (030) | 109,000 | 15,984 | | | | 124,984 | |
| 49 | Debt Service / Land Acquisition (03) | 78,424 | - | | | | 78,424 | |
| 50 | Addl Fringe Benefits (042) | 48,300 | 1,000 | | | | 49,300 | |
| 51 | Workers Comp/Unemp (061,062) | 358,306 | | | | | 358,306 | |
| 52 | Promotional (069) | 313,732 | | | | | 313,732 | |
| 53 | Contracts Prog/Ops Svs (102,103) | 32,268 | 8,924 | | | | 41,193 | |
| 54 | Other (026,049,057,066,070,080) | 40,970 | 10,681 | | | | 51,651 | |
| 55 | Total Expend | 6,268,276 | 699,942 | | | | 6,968,218 | |
| 56 | Revenues & Additions over Expenditures | 14,163 | 1,674 | | | | 15,837 | |
| 57 | Encumbrances | 40,723 | 3,559 | | | | 44,282 | |
| 58 | End Bal | (0) | (0) | | | | (0) | |
| 59 | | | | | | | | |