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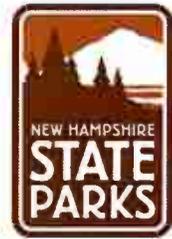


State of New Hampshire
DEPARTMENT OF NATURAL & CULTURAL RESOURCES
DIVISION OF PARKS & RECREATION

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January 29, 2026

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court *and*

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the Department of Natural and Cultural Resources, (DNCR) Division of Parks and Recreation, Cannon Mountain Aerial Tramway & Ski Area, to budget and expend prior-year carryforward funds between and among Cannon Mountain Operations and Retail/Concessions accounts from the Cannon Mountain Ski Account, in the amount of \$750,000, for the purpose of aligning appropriations with actual operating requirements across established class lines, effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2026. 100% Cannon Mountain Ski Account Funds.

Funds are to be budgeted in Fiscal Year 2026 in the following accounts:

03-35-35-351510-37030000 Cannon Mountain

Class-Account-Revenue Group	Class Description	FY26 Current Adjusted Authorized	Requested Action	Revised FY26 Adjusted Authorized
003-402021-26	Franconia Notch Concession	\$280,000	\$0	\$280,000
007-402193-28	Sale of Services Income	\$0	\$600,000	\$600,000
009-402032-26	Ski Area Income	\$8,999,178		\$8,999,178
	Total Revenue	\$9,279,178	\$600,000	\$9,879,178
010-500100	Personal Services Perm Clas	\$925,156		\$925,156
011-500126	Personal Services Unclassif	\$101,478		\$101,478
018-500106	Overtime	\$120,000		\$120,000
019-500105	Holiday Pay	\$27,000		\$27,000
020-500200	Current Expenses	\$803,624	\$200,000	\$1,003,624
022-500255	Rents-Leases Other Than Sta	\$720,432		\$720,432
023-500264	Heat Electricity Water	\$1,190,000	\$400,000	\$1,590,000
024-500228	Maint Other Than Build-Grn	\$140,000		\$140,000
026-500251	Organizational Dues	\$45,000		\$45,000
027-582703	Transfers To Doit	\$139,915		\$139,915
029-500290	Intra-Agency Transfers	\$1,000		\$1,000

030-500311	Equipment New Replacement	\$123,993		\$123,993
039-500180	Telecommunications	\$50,000		\$50,000
040-501587	Indirect Costs	\$74,691		\$74,691
042-500620	Additional Fringe Benefits	\$129,700		\$129,700
044-500400	Debt Service Other Agencies	\$37,922		\$37,922
047-500240	Own Forces Maint Build-Grn	\$157,005		\$157,005
049-584914	Transfer To Other State Age	\$5,000		\$5,000
050-500109	Personal Service Temp Appoi	\$1,500,000		\$1,500,000
059-500117	Temp Full Time	\$594,610		\$594,610
060-500601	Benefits	\$1,218,265		\$1,218,265
061-500536	Unemployment Compensation	\$5,000		\$5,000
062-500538	Workers Compensation	\$150,000		\$150,000
066-500543	Employee Training	\$7,000		\$7,000
069-500567	Promotional Marketing Exp	\$332,142		\$332,142
070-500703	In State Travel Reimburseme	\$2,000		\$2,000
080-500710	Out Of State Travel Reimb	\$1,500		\$1,500
103-500736	Contracts For Op Services	\$441,995		\$441,995
211-501530	Catastrophic Casualty Ins	\$234,750		\$234,750
	Total Expenses	\$9,279,178	\$600,000	\$9,879,178

03-35-35-351510-37040000 Cannon Retail & Concessions

Class-Account- Revenue Group	Class Description	FY26 Current Adjusted Authorized	Requested Action	Revised FY26 Adjusted Authorized
003-402021-26	Franconia Notch Concession	\$1,146,941	\$0	\$1,146,941
007-402193-28	Sale of Services Income	\$0	\$150,000	\$150,000
009-402032-26	Ski Area Income	\$65,000	\$0	\$65,000
	Total Revenue	\$1,211,941	\$150,000	\$1,361,941
EXPENSE				
018-500106	Overtime	\$5,000		\$5,000
019-500105	Holiday Pay	\$3,500		\$3,500
020-500200	Current Expenses	\$31,300		\$31,300
023-500291	Heat Electricity & Water	\$5,000		\$5,000
024-500228	Maint. Other than B&G	\$1,000		\$1,000
026-500251	Organizational Dues	\$150		\$150
030-500300	Equipment	\$10,000		\$10,000
042-500620	Additional Fringe Benefits	\$7,815		\$7,815
047-500240	Own Force Maint. B&G	\$1,000		\$1,000
048-500226	Contractural Maint. B&G	\$1,000		\$1,000
050-500109	Personal Services/Temp	\$450,000		\$450,000
059-500117	Full Time Temp	\$97,677		\$97,677
060-500602	Benefits	\$115,999		\$115,999
062-500538	Workers Compensation	\$5,000		\$5,000
070-500705	In-State Travel	\$1,500		\$1,500

080-500710	Out of State Travel	\$1,000		\$1,000
103-502664	Contracts for Oper Service	\$0		\$0
106-500746	Goods for Resale	\$475,000	\$150,000	\$625,000
	Total Expenses	\$1,211,941	\$150,000	\$1,361,941

EXPLANATION

As the fiscal year progresses, Cannon Mountain routinely manages operating activity across multiple state-required class lines that were established at the start of the biennium. As a high-volume, weather-dependent enterprise operation, Cannon Mountain experiences both timing variances and permanent variances throughout the fiscal year, particularly within repair, maintenance, utilities, and service-related expense categories.

Internally, Cannon Mountain manages a zero-based operating budget and monitors expenditures holistically across the enterprise. However, under state budgeting requirements, expenditures must be authorized and expended within fixed class lines that were appropriated approximately eighteen months in advance. As operational conditions evolve, periodic transfers between class lines are necessary to ensure appropriations accurately reflect actual business activity.

Cannon Mountain is therefore requesting authorization to withdraw \$750,000 from the Cannon Mountain Ski Account retained earnings to reinforce three operating class lines – Current Expenses (020), Heat, Electricity, and Water (023), and Goods for Resale (106) – where expenditures are tracking ahead of original appropriations due to a combination of permanent and timing variances, while overall enterprise performance remains strong.

Cannon Mountain’s account balance at the close of Fiscal Year 2025 was approximately \$1.2 million. The requested transfer represents a prudent use of retained earnings to manage class-line alignment while maintaining a healthy reserve. Based on current revenue projections and winter performance to date, Cannon Mountain anticipates sufficient operating strength to support this adjustment.

CLASS-SPECIFIC JUSTIFICATION

Class 020 – Current Expenses

Additional appropriation is requested to address a permanent variance related to credit card processing fees. At the beginning of the biennium, Cannon Mountain anticipated offsetting these fees directly through revenue, similar to commission-based expenses. Upon further review, it was determined that these fees must be expended within Class 020, resulting in a permanent variance of approximately \$262,000 within this class line.

Class 023 – Heat, Electricity, and Water

During the current fiscal year, Cannon Mountain experienced an unprecedented early-season snowmaking window, resulting in higher-than-anticipated kilowatt (kW) usage and utility expense, representing primarily a timing variance. This was a deliberate operational decision that enabled the mountain to open earlier and more fully than at any point in over a decade. The resulting increase in utility costs is expected to be offset by increased visitation and revenue generated by early and expanded operations.

Class 106 – Goods for Resale

Additional appropriation is requested in Class 106 to address timing variances related to inventory procurement and internal reallocations. Inventory purchases to support winter guest service levels were committed earlier in the fiscal year than anticipated. In addition, \$175,000 was transferred from this class to support a one-time uniform replacement initiative, authorized in advance to ensure continuity of operations ahead of anticipated revenue constraints related to the Aerial Tramway. This request replenishes the Goods for Resale class to align appropriations with committed inventory levels through the remainder of the fiscal year.

This request reflects routine class-line management within a dynamic, enterprise-funded operation. It does not represent an increase in overall spending authority beyond retained earnings, nor does it involve General Fund dollars. Rather, it

ensures that appropriations accurately align with actual operating conditions while maintaining fiscal discipline and operational continuity.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink that reads "Sarah L. Stewart". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Sarah L. Stewart
Commissioner