

Exhibit B



FY 2022 Operations Budget Overview

Goals:

- Ensure operational expenses fall within conservative operational revenue estimates.
- Use operating profit carried forward from FY 2021, combined with the tourism tax appropriation, to invest in infrastructure and other capital items.
- Maintain positive cash flow throughout the year by managing the timing of capital investments and other expenditures.
- Create a modest cash reserve, which should receive regular additions in future budgets.

Revenue Assumptions:

- While pass and lift ticket sales have had small but steady increases over the last several years, revenues in this budget are based on FY 2020, adjusted slightly to reflect price increases. This is a conservative approach: FY 2021 saw revenue from season passes and lift tickets significantly exceed prior years. Adventure Park and Summer Activity revenues are based on FY 2020 instead of showing the modest increase that could be expected based on historic annual improvements in revenue.
- Food and beverage revenue estimates are extremely conservative, continuing the decline in sales seen the last several years. ***Note: We have much higher performance targets but do not include anticipated improvements in budgeted revenues.***
- Given the uncertain impact of the pandemic on summer banquet/reception revenue, the estimate is half that of the prior full year of operation.
- Pass/ticket prices are increased modestly after two seasons at the same rate. Passes purchased before April 30 will increase 2%; passes purchased by October 31 will increase 3%; those purchased in season will increase 3.25%. Lift tickets will increase approximately 3%. Adventure Park pricing will remain constant except will decrease mid-week to encourage local users.

Expense Assumptions:

- Major expenses like utilities and workers' comp are budgeted higher than previous years.
- Some new seasonal positions reflect recommendations from the SE Group and the Spirit Mountain Task Force to bolster checking tickets/passes and improve the guest experience.
- Food and beverage expenses are budgeted according to industry performance percentages for labor and cost of goods.

FY2022 Capital Projects:

Spirit identified \$625,000 in infrastructure improvements/capital needs and will use FY2021 operating profit and the tourism tax appropriation to pay for some/all of the projects; this is consistent with the Spirit Mountain Task Force recommendation.