



# Iditarod Trail Committee, Inc.

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www.iditarod.com

## Board of Directors

President  
Richard Burmeister

Vice-President  
Lee Larsen

Secretary  
Jim Palin

Treasurer  
Rick Swenson

Director  
John Handeland

Director  
Sam Maxwell

Director  
Mark Moderow

Director  
Mike Owens

Director  
Dan Seavey

Director Emeritus  
Joe Redington, Sr.

## Meeting of the Board of Directors

Millennium Hotel Anchorage

*"The Official Hotel of the Iditarod"*

Anchorage, Alaska

9:00 a.m. - 2:45 p.m.  
Friday, February 24, 2006

### AGENDA

1. Call to Order
2. Roll Call
3. Public Comment Period
4. Approval of Agenda
5. Adoption of Minutes
  - 5.1. December 2, 2005
6. Report of the President (Burmeister)
7. Report of the Executive Director (Hooley)
  - 7.1. Financial Report
8. Additional Staff Reports
  - 8.1. Development Director (Bill)
  - 8.2. Director of Public Relations (St. George)
  - 8.3. Race Director, Trail Logistics & Competition (Nordman)
    - 8.3.1. Race Logistics Coordinator (Willis)
  - 8.4. Race Director, Administration (Potts)
  - 8.5. Chief Veterinarian (Nelson)
9. Jr. Iditarod
10. EXECUTIVE SESSION
11. \_\_\_\_\_
12. \_\_\_\_\_
13. \_\_\_\_\_
14. \_\_\_\_\_
15. Directors Comments
16. Adjournment

Executive Director  
Stan Hooley  
Post Office Box 870800  
Wasilla, AK 99687  
907.232.8730 voice  
907.373.6998 facsimile  
shooley@iditarod.com

# **AGENDA ITEM #5.1**

# **AGENDA ITEM #6**

# **AGENDA ITEM #7**

# EXECUTIVE DIRECTOR'S REPORT TO THE BOARD OF DIRECTORS

February 24, 2006

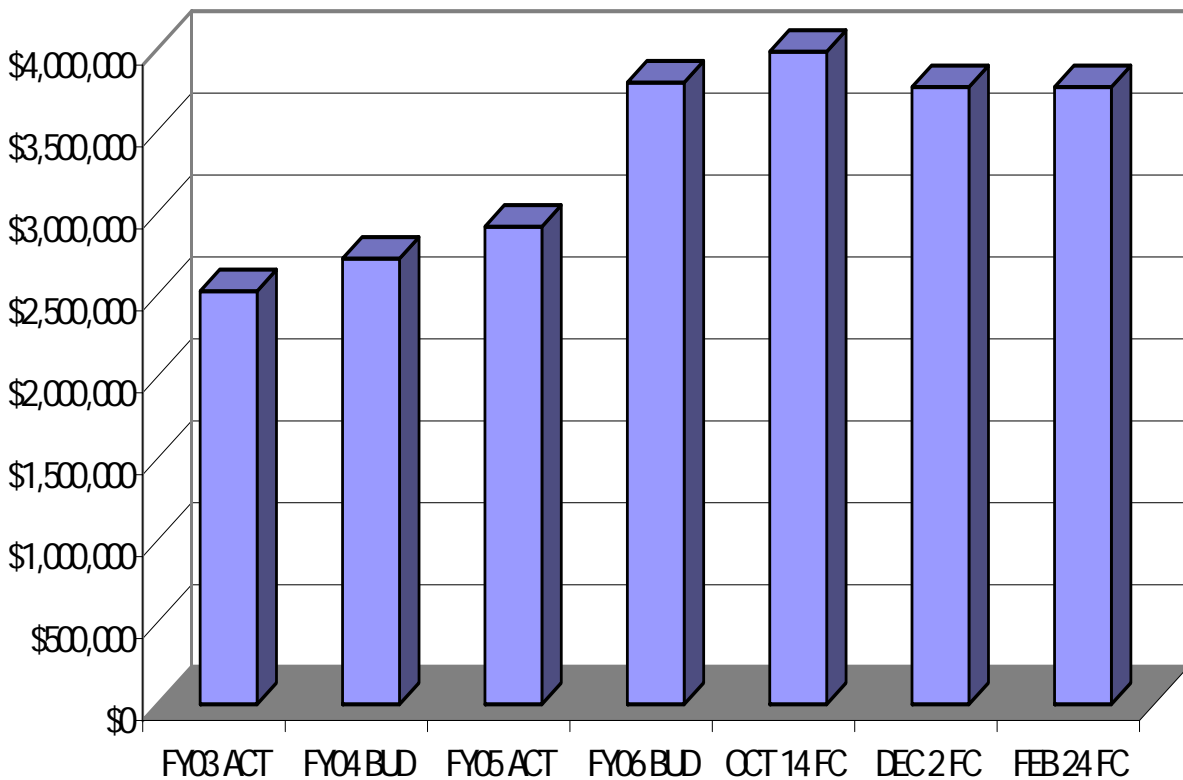
COUNTDOWN TO IDITAROD XXXIV - 8 DAYS!!!

Apr   May   Jun   Jul   Aug   Sep   Oct   Nov   Dec   Jan   Feb   Mar

↓   ↓

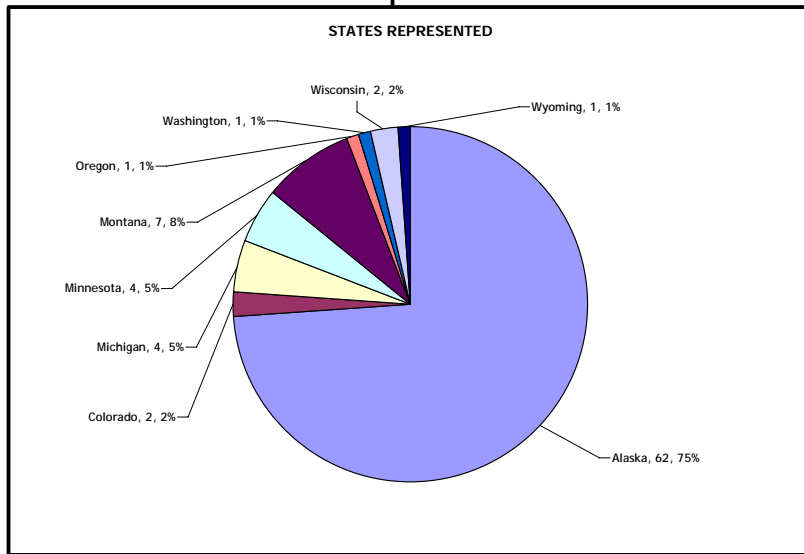
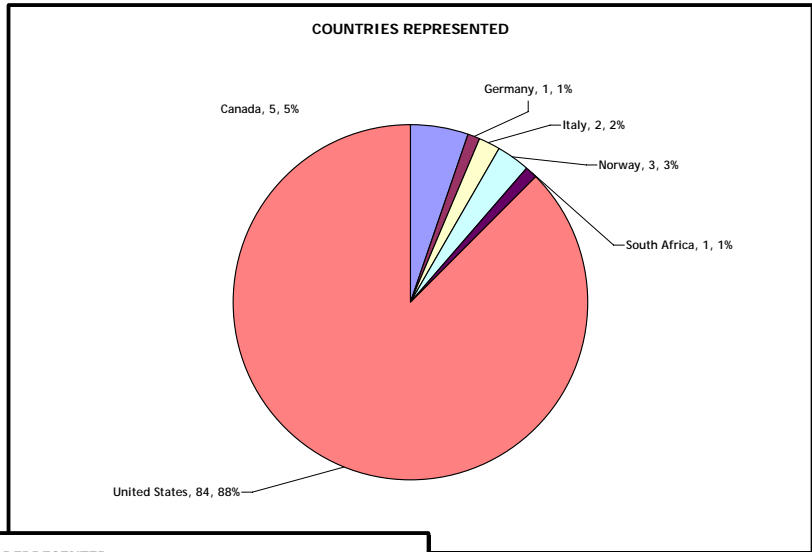
## THE 2006 FIELD

### REVENUES

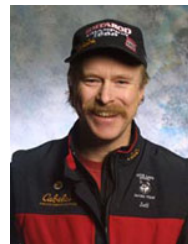


- **Total Entries** - 84 at this moment in time (compared to 79 at this time last year.   Men - 67 or 80%   Women - 17 or 20%)

- **Countries Represented** - Canada (4), Italy (1), Holland (1), Norway (3), United States (75)
- **States Represented** - Alaska (51), Colorado (2), Michigan (3), Minnesota (2), Montana (8), New Mexico (1), Ohio (1), Oregon (1), Utah (1), Washington (1), Wisconsin (4)



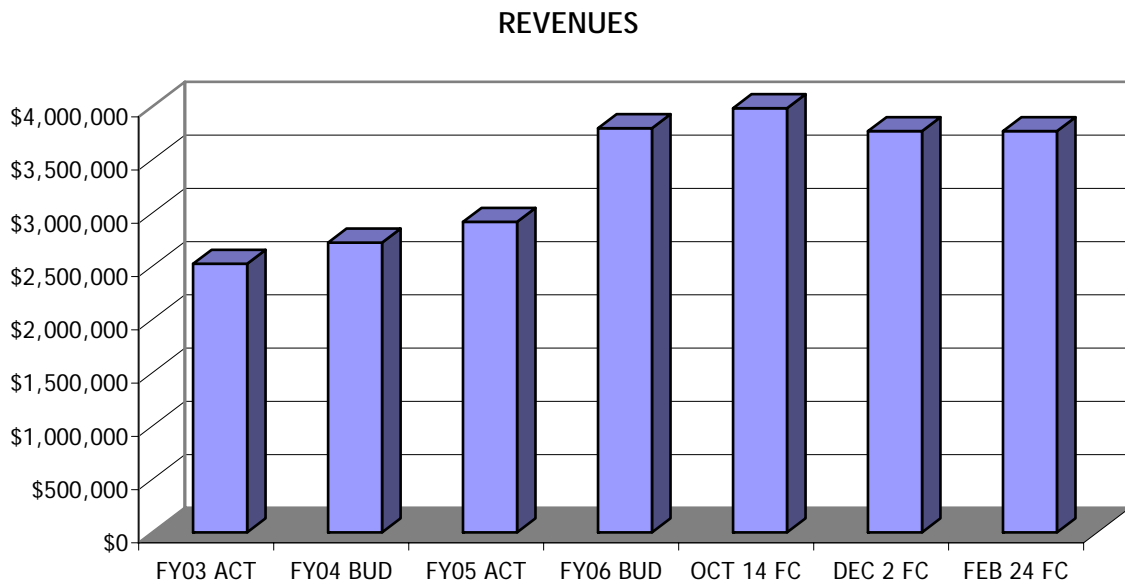
- **Race Champions** - 5 entered representing 18 of 32 or 56% of all wins. Swenson (5), Buser (4), Swingley (4), King (3), Seavey (1).



- **Money Positions Returning** - 9 of Top Ten, 18 of Top Twenty, 24 of Top Thirty
- **Rookies** - 20 (34% of the field) Men - 14 Women - 6

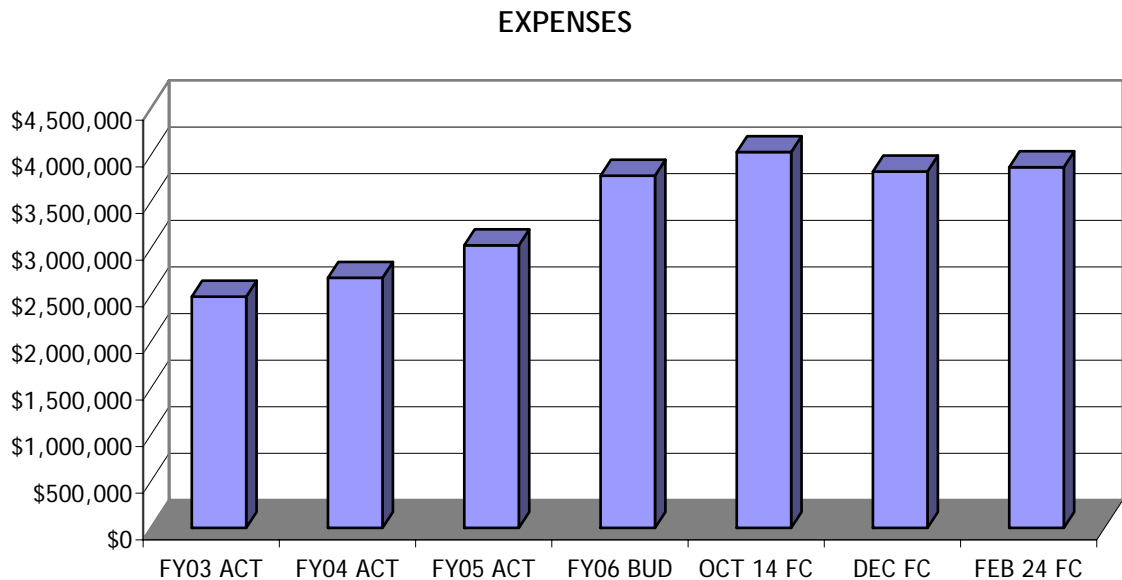
## FINANCIAL PERFORMANCE AND FORECAST THRU END OF FY06 FISCAL YEAR

- Our FY06 plan calls for gross cash revenues of \$3,794,070 (an increase of \$879,018 over FY05) over cash expenses of \$3,777,974 (an increase of \$746,862) for year-end net revenues of \$16,096.
- In our FY06 budget, we 'plugged in' \$650K on both the revenue and expense side which is directly tied to our efforts to roll out a 'pay per view' web product. Expected revenues and planned expenses for other areas of the budget amount to an additional \$229K and \$97K respectively.



- **Revenues** - Thusfar (7+ months into FY 06), we are forecasting a negative variance from budget of \$108K. In December we were forecasting a negative variance of \$27K. This represents a decrease in anticipated revenues of -\$81K.
  - Positive variances to revenue line items:
    - race guide advertising - \$24K
    - Idita-Rider Musher Auction - \$2K
    - royalties - \$116K - this is very misleading as had we had to make a negative adjustment for an estimated FY05 receivable from Cabela's as well as FY06 forecast in the neighborhood of \$80K. Said differently, had it not been for that adjustment, this line item would have reflected a positive variance of \$200K or so. The "\$116K increase" is a result of the licensing our footage to OLN for their broadcasts.
  - Negative variances in revenue line items:

- sponsorship - \$154K. We budgeted for an increase of \$194K over last years actual number, and will realize only \$40K of that goal.
- merchandise - \$16K
- teacher conference - \$14K
- membership - \$11K



**Expenses** - We expect a negative variance of -\$90K, up from -\$45K in December. This represents an overall change (increase in expenses) of \$45K. We are now projecting expenses associated with our pay per view effort to be \$600K (and for now, revenues of a like amount), down from our December projection of \$632K.

- Negative variances (more expense) to expense line items:
  - aviation insurance - \$8K
  - trophies - \$10K
  - traffic control plan - \$8K
  - race communications - \$65K
  - race guide production costs - \$21K
- Positive variances (less expense) to expense line items:
  - commission/agency fee - \$25K
  - teacher conference - \$6K
- Overall - We are projecting a deficit of -\$182K for the fiscal year, an overall negative variance of \$198K.

## CASH FLOW

Cash Flow				
Pay Per Subscribers	March	April	May	June
50,000	\$951,436	\$695,964	\$510,304	\$522,079
45,000	851,686	596,214	410,554	422,329
40,000	751,936	496,464	310,804	322,579
35,000	652,186	396,714	211,054	222,829
30,075 (Breakeven)	552,436	296,964	111,304	123,079
25,000	452,686	197,214	11,554	23,329
20,000	352,936	97,464	(88,196)	(76,421)
15,000	253,186	(2,286)	(187,946)	(176,171)
10,000	153,436	(102,036)	(287,696)	(275,921)

## SPONSORSHIP DETAIL

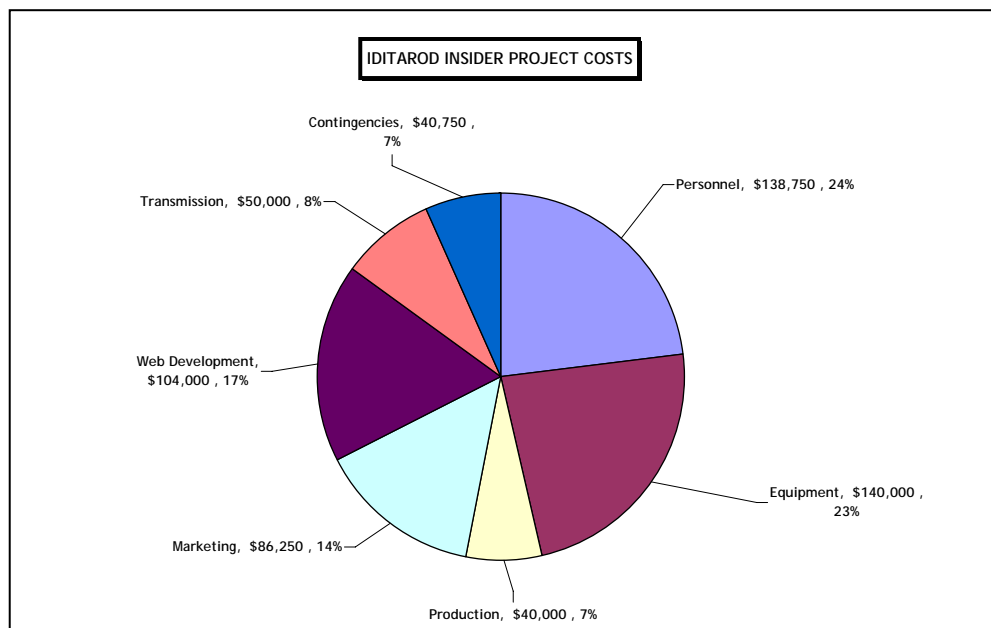
SPONSOR NAME	2006 CASH ACTUAL	2005 CASH ACTUAL	VARIANCE OVER/(UNDER)
<b>SPONSORSHIP COMMITTED</b>			
AEROMED	22,500	17,500	5,000
AIH	-	-	0
ALASKA AIRLINES	10,000	10,000	0
ALASKAN BREWING CO.	25,000	10,000	15,000
ANCHORAGE DAILY NEWS	0,000	10,000	0
ANCHORAGE CHRYSLER DODGE	26,500	126,500	0
ALASKA SERIGRAPHICS	10,000	10,000	0
CABELA'S	156,000	125,000	31,000
CHEVRON	20,000	20,000	0
CITY OF ANCHORAGE	25,000	25,000	0
CITY OF NOME	15,000	15,000	0
CITY OF WASILLA	10,000	10,000	0
COCA COLA	25,000	25,000	0
CRAIG TAYLOR	7,500	7,500	0
CROWLEY MARINE	5,000	5,000	0
EXXON COMPANY USA	7,500	7,500	0
FRED MEYERS	27,500	27,500	0
FIRSTRAX	12,500	12,500	0
G C I	210,000	210,000	0
GLOBAL INFORMATION TECHNOLOGIES	10,000	10,000	0
HORIZON LINES	10,000	8,000	2,000
JACKOVICH	-	5,000	(5,000)
K&L DISTRIBUTORS / JACK DANIELS	9,000	8,500	500
OFFICETECH, INC.	2,500	4,000	(1,500)
OUTBACK STEAKHOUSE	-	5,000	(5,000)
PENINSULA AIRWAYS	-	-	0
PROVIDENCE HEALTH SYSTEM	-	-	0

SPONSOR NAME	2006 CASH ACTUAL	2005 CASH ACTUAL	VARIANCE OVER/(UNDER)
MILLENNIUM HOTEL	2,500	12,500	0
RIBELIN LOWELL & CO.	7,500	10,000	(2,500)
SMURFIT-STONE/ANCHORAGE RECYCLING CTR	7,500	7,500	0
SPENARD BUILDERS SUPPLY	7,500	7,500	0
T. ROWE PRICE	10,000	10,000	0
WELLS FARGO	250,000	249,179	821
<b>TOTAL SPONSORSHIPS ANTICIPATED</b>	<b>1,051,500</b>	<b>1,011,179</b>	<b>40,321</b>
<b>TOTAL SPONSORSHIP SHORTFALL OF BUDGET</b>	<b>153,500</b>	<b>68,821</b>	
<b>BUDGET AMOUNT</b>	<b>1,205,000</b>	<b>1,080,000</b>	

### IDITAROD INSIDER

As stated previously, we 'plugged-in' \$650K on both the revenue and expense side to roll out a web subscription product.

At this time, we believe our expenses for the project will be approximately just under \$600K. Consequently, we'll need 30,075 subscribers to break even on the project.



To say the least, we're excited and anxious. Excited about the possibilities, and anxious about the outcome! The resources we have invested (both human and otherwise) in this "business within our business" are substantial and we have the capability of accomplishing something truly magnificent.

We launched the product on Monday. Various promotional efforts are underway to reach beyond the traditional web traffic we've experienced in prior years. Historically, we see a huge spike in our web traffic on start day. Obviously, we'll have a better indication of our potential for success as the race draws closer.

In launching the service we expected the authorization process to include rigid fraud control measures. By requiring that an individual attempting to subscribe to the service enter in the exact billing address for the credit card being used, we “buy down” the processing fee assessed by the bank for each transaction. What we have found since launching the project on Monday is that the requirement of entering an exact (and we now understand what exact means) is causing problems for some.

For example, my formal address is 1963 West Destiny Circle and my billing address on my credit card statement is 1963 W Destiny Cir

At the current settings, the system would not accept my formal address, nor would it accept “West” as opposed to “W,” or a period (.) after Cir

Based upon what we have learned, we have made the decision to “desensitize” this part of the authorization process to ensure that the subscription process goes more smoothly. Unfortunately, we will now pay nearly 1% more per transaction in fees.

I am told that this change has been accomplished and the process should now be more user friendly.

**OUTDOOR LIFE NETWORK (OLN) IDITAROD PROGRAMMING SCHEDULE**

Saturday, March 18th	2005 Recap Special	7:00 p.m. (ET)
Saturday, March 18th	Episode 1	8:00 p.m. (ET/PT) & 11:00 p.m. (ET/PT)
Saturday, March 25th	Episode 2	10:00 p.m. (ET/PT)
Saturday, April 1st	Episode 3	10:00 p.m. (ET/PT)

**ANTICIPATED ATTENDANCE**

ITC BOARD OF DIRECTORS			IN PER	TEL	EITHER	NOT AT ALL	?
Burmeister	Richard	President	1				
Handeland	John				1		
Larsen	Leelan	Vice-President		1			
Maxwell	Sam					1	
Moderow	Mark		1				
Owens	Mike		1				
Palin	Jim	Secretary		1			
Seavey	Dan		1				
Swenson	Rick	Treasurer					1
<b>TOTALS</b>			<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>

We look forward to seeing each of you on Friday, February 24, at 9:00 a.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Stan Hooley". The signature is written in a cursive, flowing style.

Stan Hooley  
Executive Director

cc: Greg Bill  
Chas St. George  
Don Patterson  
Mark Nordman  
Andy Willis  
Joanne Potts  
Deby Trospen  
Stuart Nelson, Jr., D.V.M.

# **AGENDA ITEM #8**

# **AGENDA ITEM #8.1**

# **AGENDA ITEM #8.2**

# **AGENDA ITEM #8.3**

# **AGENDA ITEM #8.4**

# **AGENDA ITEM #8.5**

# **AGENDA ITEM #8.6**

# **AGENDA ITEM #9**

# **AGENDA ITEM #10**

# **AGENDA ITEM #11**

# **AGENDA ITEM #12**

# **AGENDA ITEM #7.1**

# **AGENDA ITEM #13**

# **AGENDA ITEM #14**

# **INFORMATIONAL ITEMS**

**EXECUTIVE SESSION**

**MATERIALS**

**CONFIDENTIAL**