

Sept 2007

It is with a heavy heart that I start this column with the news of the passing of FM competitor Norm Hernandez. Norm was the first FM dealer in the NW, and helped grow the class here along with his fellow racer, son Ethan. Norm was flying his Russian Yak stunt plane, encountered problems, and crashed. Condolences go out to Norm's family.

The June financials are in. Membership fees are under budget by \$9K for the month. This is due to temporary membership program revenues that were budgeted for, but have not happened. However, if you remove this factor, the membership fees actually exceeded budget for the month by \$6K. Sponsorship and royalties are under budget due to lack of an official vehicle sponsor and reduced credit card affinity program royalties. We do have VW onboard as the official vehicle, but the money is yet to be realized. Entry fees for two Pro Solo events were budgeted, but only one happened. Service fees are under budget by \$81K due to timing, but YTD the special projects service fees are exceeding budget.

Marketing advertising and promotion are under budget by \$21K. \$12K of this is due to the temporary membership expense savings. The rest is due to timing of marketing expenditures for advertising and promotions. These latter expenses are expected to reverse and be close to budget by year-end.

While Inc is running behind in membership and sponsorship revenue, the club is making up for the deficit by savings in expenses. YTD operating income is \$162K ahead of budget, but a fair amount of this is also due to timing. Jeff Dahnert anticipates that 2007 will come in on or slightly better than budget. Any new sponsorships or service fees that are received in what remains of 2007 will improve that projection.

Pro Racing's financials in June came in a bit behind budget, but for good reasons. Pro Racing had an operating loss of \$114K compared to a budgeted loss of \$54K. Bottom line was a net loss of \$122K compared to a budgeted loss of \$60K. Upon further examination, June's results are not as bad as they appear on the surface. For one, the budget for June included one GT and one Touring race in World Challenge, in fact one GT and two touring races were held. This meant more entry fee income, but not enough to offset the additional prize money and race expenses. In addition, there are W/C credentials, (approximately \$15-20K) that were budgeted for June and earlier, but will be processed in July. This will bring the financial results for Pro Racing back in line.

Also on the Pro front, the big three have been slow to embrace a working partnership (OPM) for the relaunch of Trans-Am, but one of the three is interested in a spec series for them, which **MAY** go ahead using that name. Stay tuned. IMG has also expressed interest in becoming involved in this project.

Another agent, working on contingency, has been engaged to work with Tish Sheets to bring the total to three. They are now on the trail of series sponsorship. Tish is now on the road to take the hunt to the companies.

The TV contract is still under negotiation; it may be completed by the time you read this. Pro is currently in discussions with twenty tracks for next year's schedule. The preference is to combine with Cup as much as possible to minimize production cost. The recent Mid-Ohio rounds played to some of the largest crowds ever seen at that track.

The NORPAC national participation numbers are in and this is one of five divisions where SRF is still the top class. SRF edged out SM 107 entries to 93. The next most popular classes are FV-66, DSR-46, and FF-37. GT3 & FM tied at 35 entries. The total national entries for NORPAC were 756 for six nationals, which places NORPAC sixth among divisions. The 8238 entries for the 56 national's year to date are down a little over a thousand entries from 2006, but

the positive aspect here is that regional entries more than made up the difference, comparing this year's entries to last year.

I hope you enjoyed the August issue of Sportscar. The First Gear article is on Andrew Caddell and Boeing employee Jayson Woodruff gives the magazine a Northwest flair for this month.

Start getting ready now for the Packwood rounds of the Tour August 18-19th and Pro-Solo August 25-26th, not to mention the Top Gun Divisional Solo September 15 & 16th up Helena Montana way.

HPT will only have 100-octane fuel for the Run-offs. The classes SSB, SSC, SRF and SM drivers historically run on 93-octane fuel, but to bring that in to HPT would cost more than \$8 per gallon. I think you all know how that would sit with our participants. Those who have already registered in those mentioned classes club racing will notify about this situation.

Until next month, when we start talking about the Solo Nationals and more about the Run-Offs;

Duck-Out