

2006 Annual Plan Summary

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President's Summary

2005 Review

2005 was an interesting year. Where 2004 saw the organization find its way to recovery in both financial and program health, 2005 planted the seeds of growth.

We set out to revisit our strategic planning process and identify growth strategies. This process was helped by a growing team of volunteers who contributed invaluable advice along the way. The result is a business model, called Bridges, we are ready to pilot in 2006. We feel strongly that the pieces fell together this year as a result of many hands helping define a strategy process we can repeat each year.

Corporate and Event sponsorship was deeply analyzed last year and a strategy for growth was devised in August 2004. This strategy yielded a combined result 30K better than plan and accounted for \$237K of the organization's \$433K in income in 2005.

The foundation development process had its budget doubled in 2005 over 2004. As a result, grants were written to Boeing and Hitachi to cover the first year start up costs of the Bridges program. If these grants come through, the foundation income for the year will also exceed plan.

As planned, the organization produced a surplus and built a small reserve, deferring a \$20K grant from the Tribune until FY2006 and bought out the \$25K CD used as collateral for the line of credit.

The i.c.stars organization must continue to focus on improving the consistency and frequency of marketing and public relations communications specifically focused on recruitment. This function will receive a significant increase in budget for 2006 in order to achieve its goals.

We grew headcount for the first time in 4 years, hiring as Director of Community and Client relations, Thressa Thomas, an alumni from i.c.stars Cycle 4. We also identified the person who will lead the Bridges program pilot, Maurice Rabb, a long-time volunteer and coach.

The program graduated 6 of 10 participants in Cycle 8, and 6 of 11 participants in Cycle 9. Several factors contributed to the lower rates including a higher than normal number of extraordinary circumstances forcing individuals to leave such as health and child custody court issues. We feel this year was an anomaly, and that the long term average graduation rate of 80% remains reliable.

2006 Annual Plan

2006 will be an exciting year for i.c.stars. In particular, we must:

1. Pilot a business model capable of funding the growth of the program
2. Aggressively recruit candidates for the program to ensure demand exists to support growth in the Chicago market
3. Significantly strengthen the marketing savvy of the organization
4. Secure funding to cover the startup costs of growing the program capacity
5. Continue to secure the financial base via corporate sponsorships and increased foundation grants

As of this draft of the budget, we believe the income objectives are moderately aggressive in the lingering difficult environment. As such, we have built into the plan a 25% income contingency and weighted each income source with a probability of success. Costs will be tightly controlled and additional headcount will come from targeted grants designed to fund those positions.

2006 Budget

\$'000	FY 2006	FY2005		Plan Variance 2005		FY 2004	FY 2003	FY 2002
	PLAN	ACTUAL	PLAN	\$	%	ACTUAL	ACTUAL	ACTUAL
Income								
Corporate	155.7	135.0	72.6	62.4	86%	43.6	71.8	23.3
Family Foundations	95.0	75.0	118.8	(43.8)	-37%	76.0	98.3	100.0
Foundations	73.2	43.5	121.5	(78.0)	-64%	57.3	12.0	46.5
Individuals	7.6	5.1	16.2	(11.0)	-68%	14.1	12.9	41.7
Board	27.5	7.5	35.0	(27.5)	-79%	13.5	37.8	2.5
Special Event Income	395.4	333.9	436.8	(102.9)	-24%	326.0	184.4	283.4
Less: Event Expenses	(264.7)	(232.0)	(301.4)	69.4		(255.1)	(101.8)	(144.3)
Total Development	489.7	368.0	499.4	(131.3)	-26%	275.4	315.3	353.0
Less: Contingency (25%)	(122.4)		(124.8)					
Add: In Kind Support	55.8	65.8	55.8	10.0	18%	55.8	55.8	55.8
Add: Contingent Grants	38.6							
Total Income	461.7	433.8	430.3	3.5	1%	331.2	371.1	408.8
Operating Expense								
Depreciation Expense	-	-	-	-	0%	15.2	0.0	-
D&O Insurance	1.4	1.4	1.4	(0.0)	-3%	1.4	1.3	1.2
Liability Insurance	1.9	1.8	2.3	(0.5)	-20%	1.7	2.6	3.7
Workers Comp	1.8	1.7	0.9	0.8	85%	0.9	0.5	-
Other Employee Benefits	0.7	-	-	-	0%	-	-	-
Licenses and Permits	0.0	-	0.0	(0.0)	-100%	-	0.0	1.1
Rent	39.6	39.6	39.6	-	0%	39.6	39.6	39.6
Postage and Delivery	1.2	0.3	1.2	(0.9)	-74%	0.4	0.8	1.1
Printing and Reproduction	1.5	1.3	1.2	0.1	10%	0.6	0.3	3.9
Service Charges	3.1	2.5	3.1	(0.5)	-17%	4.3	2.1	2.2
Auditor	2.1	2.0	1.7	0.3	16%	2.9	3.6	-
Strategic Planning	-	0.1	-	0.1		0.1	-	27.5
Office Supplies	1.8	1.7	1.4	0.4	26%	1.1	0.8	0.8
Telephone & Utilities	13.5	13.5	13.5	(0.0)	0%	13.5	13.5	13.4
Travel	0.8	0.5	0.8	(0.3)	-36%	-	0.0	2.7
Total Operating Expense	69.4	66.6	67.1	(0.6)	-1%	81.9	65.3	97.1
Program Expense								
Conferences & Meetings	2.4	1.8	2.4	(0.6)	-26%	1.2	1.4	5.4
Dues and Subscriptions	1.8	1.0	1.8	(0.8)	-45%	0.8	0.5	0.3
Stipends and Materials	58.8	32.8	61.8	(29.0)	-47%	38.5	45.5	20.9
Marketing	18.5	0.4	1.2	(0.8)	-64%	0.1	0.6	0.8
IT - Hardware	10.0	6.4	2.4	4.0		0.2	-	9.8
IT - Internet services	4.3	3.6	3.7	(0.1)	-4%	3.7	3.6	3.7
IT - Software	13.6	8.5	1.5	7.0		0.2	-	-
Total Program Expense	109.4	54.4	74.8	(20.4)	-27%	44.6	51.6	40.9
Personnel								
Officers & Delivery	199.7	193.1	187.0	6.1	3%	177.0	216.8	274.1
Fundraising	19.4	16.2	16.2	-	0%	5.9	-	-
Community Relations	54.8	28.0	29.0	(1.0)	-4%	1.5	22.8	5.2
Placement	-	8.7	14.0	(5.3)	-38%	10.7	13.5	5.0
Practicum Coordinator	-	-	25.0	(25.0)		-	-	-
ATT Powerstar	-	-	-	-		-	4.4	25.7
Studio Managers	-	-	-	-		-	3.3	-
Technology Intern	-	-	-	-		-	-	25.0
Total Personnel	273.9	245.9	271.2	(25.2)	-9%	195.2	260.8	334.9
Total Expense	452.7	366.9	413.1	(46.2)	-11%	321.7	377.7	472.9
Net Operating Surplus/(Deficit)	8.9	66.9	17.2	49.7	289%	9.5	(6.6)	(64.1)