

2007 Annual Plan

revision for quarter ended 9/30/2006

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President's Summary

2006 Review

2006 was a year of steady growth. While in 2005 we planted seeds for growth this past year we were able to build processes to enable future direction for growth.

The strategic planning efforts focused on the business structure for Bridges. We undertook an intense research phase this year looking at legal implications of income taxes, LLC status and continual inquiry into employment law regarding the legality of Bridges serving only i.c.stars grads. The Bridges pilot failed to meet our goals this year. We were unable to formally launch the pilot due to customer and industry changes and internal staffing changes.

Our Revenues grew steadily this year. Corporate and event sponsorships grew 70% by packaging event sponsorships into year long volunteer and event packages. We strengthened the process to be an annual sponsorship model rather than soliciting sponsorships throughout the year with individual events. I will also note that the strength of the board participation in fundraising has had an enormous impact this year at the highest rate ever the board share of fundraising increased from 49% to 52%. Thanks to the support of the board we welcomed 14 new annual sponsors this year.

The foundation development process has steadily grown as we continue to cultivate relationships in the foundation community. This past year we beat the planned revenue from foundation grants by \$61K with the addition of the Motorola Foundation, Fry Foundation and Charter One. We realized that the sales cycle for foundations is built on relationships and takes considerable amounts of time to nurture. While General Operating grants have been maintained and prospected, we were unsuccessful at securing the Boeing and Hitachi Grants for the Bridges' pilot.

The organization produced a larger cash surplus this year, realizing \$133K, considerably ahead of the \$2.5K in the plan. This surplus will allow the organization to save for future moving and growing expenses.

Great strides in the areas of marketing, PR and recruitment were made this year with thanks to Tamron Hall for doing a story about i.c.stars on FOX News. As a result, we interviewed twice the number of candidates from the previous year. At the same time however, we saw a smaller number of individuals complete the process. Recruitment and oversubscribing a cycle still remain major goals for the next year. The recruitment efforts allowed us to make selections with c11 and form a pool of very qualified candidates all scoring over 70% on the assessment for the first time in the history of i.c.stars.

The original Bridges manager, Maurice Rabb, left i.c.stars to pursue a doctorate at U of I. Because we did not receive the two grants we had proposed, it was difficult to hire a replacement for him during FY2006.

2007 Annual Plan

2007 will be an exciting year for i.c.stars. In particular, we must:

1. Secure and fund low cost space for moving in July 2007
2. Pilot the Bridges program
3. Recruit 60 accepted candidates for the program to ensure supply exists to support growth in the Chicago market
4. Secure foundation funding to cover the startup costs of growing the program capacity
5. Document the training program in preparation for additional trainers
6. Identify ways to increase the capacity of the organization to sell and deliver on additional corporate sponsorships

As of this draft of the budget, we believe the income objectives are moderately aggressive in the lingering current difficult environment. As such, we have built into the plan a 15% income contingency and weighted each income source with a probability of success.

Our fiscal year ends 8/31/06. The budget on the next page is for 9/1/2006-8/31/2007 and includes estimated values for remaining month in 2006.

The current in-kind rent, internet access, and phone services will cease on June 30, 2007. The budget assumes July and August of next year will have the same cost structure as the current space – \$21.18/sqft for 2500 square feet, \$1,200/month for phone service, and \$306/month for internet.

The current 2007 budget forecasts a small surplus. This is not sustainable without the in-kind donation in 2008 and beyond. In 2007 we need to either identify a new in-kind space or increase income by \$70K to cover the costs on our own going forward.

We plan to reserve \$70K of the current surplus to cover the cost of rent in FY 2008. This tactic will add an extra year to get to a sustainable budget.

We have shifted \$30K of projected corporate funding to the foundation category as those annual grants are managed by the foundation processes, not the corporate sponsorship processes. Keep this in mind when viewing the budget on the next page where it appears corporate income is forecast to drop from \$190K to \$166K and foundations are projected to increase from \$135K to \$165K.

2007 Budget

\$'000	FY 2007	FY2006		FY2005	FY 2004	FY 2003	FY 2002
	PLAN	ACTUAL	PLAN	ACTUAL	ACTUAL	ACTUAL	ACTUAL
Income							
Corporate	229.7	193.9	155.7	135.0	43.6	71.8	23.3
Family Foundations	100.0	100.0	95.0	75.0	76.0	98.3	100.0
Foundations	225.0	135.0	73.4	43.5	57.3	12.0	46.5
Individuals	4.6	9.1	7.6	5.1	14.1	12.9	41.7
Board	21.3	10.0	27.5	7.5	13.5	37.8	2.5
Special Event Income	341.2	294.5	393.6	333.9	326.0	184.4	283.4
Less: Event Expenses	(252.8)	(214.6)	(264.2)	(232.0)	(255.1)	(101.8)	(144.3)
Total Development	668.9	527.8	488.6	368.0	275.4	315.3	353.0
Less: Contingency (15%)	(100.3)		(122.1)				
Add: In Kind Support	79.1	76.2	55.8	65.8	55.8	79.1	79.1
Add: Contingent Grants	-		116.1				
Add: interest income	3.6						
Total Income	651.3	604.0	538.3	433.8	331.2	394.5	432.2
Operating Expense							
Depreciation Expense	-	-	-	-	15.2	0.0	-
D&O Insurance	1.4	1.4	1.4	1.4	1.4	1.3	1.2
Liability Insurance	1.9	1.3	1.9	1.8	1.7	2.6	3.7
Workers Comp	1.8	3.2	1.8	1.7	0.9	0.5	-
Other Employee Benefits	-	-	0.7	-	-	-	-
Key Exec. Insurance	4.6						
Licenses and Permits	0.0	-	0.0	-	-	0.0	1.1
Rent	53.0	52.9	39.6	39.6	39.6	53.0	53.0
Postage and Delivery	1.2	0.4	1.2	0.3	0.4	0.8	1.1
Printing and Reproduction	1.5	1.6	1.5	1.3	0.6	0.3	3.9
Service Charges	13.2	4.9	3.1	2.5	4.3	2.1	2.2
Legal services	5.0	-	-	-	-	-	-
Auditor	1.6	2.5	2.1	2.0	2.9	3.6	-
Strategic and Professional Services	15.0	-	-	0.1	0.1	-	27.5
Office Supplies	4.8	5.6	1.8	1.7	1.1	0.8	0.8
Telephone & Utilities	14.4	15.5	13.5	13.5	13.5	13.5	13.4
Travel & Moving Expenses	10.7	0.3	0.8	0.5	-	0.0	2.7
Total Operating Expense	130.1	89.7	69.4	66.6	81.9	78.7	110.5
Program Expense							
Conferences & Meetings	8.0	7.9	8.0	1.8	1.2	1.4	5.4
Dues and Subscriptions	1.9	2.1	1.8	1.0	0.8	0.5	0.3
Stipends and Materials	73.2	67.1	58.8	32.8	38.5	45.5	20.9
Marketing	18.5	2.7	18.5	0.4	0.1	0.6	0.8
IT - Hardware	20.0	6.1	10.0	6.4	0.2	-	9.8
IT - Internet services	7.3	4.4	4.3	3.6	3.7	3.6	3.7
IT - Software	2.0	0.9	13.6	8.5	0.2	-	-
Total Program Expense	130.9	91.2	115.0	54.4	44.6	51.6	40.9
Personnel							
Officers & Administrative	191.9	192.4	199.7	193.1	177.0	216.8	274.1
Fundraising	19.4	19.4	19.4	16.2	5.9	-	-
Community Relations	54.9	58.4	54.8	28.0	1.5	22.8	5.2
Career Services	57.2	-	-	-	-	-	-
Consultant	10.0	-	-	8.7	10.7	13.5	5.0
Bridges	-	11.6	77.5	-	-	-	-
ATT Powerstar	-	-	-	-	-	4.4	25.7
Studio Managers	-	-	-	-	-	3.3	-
Technology Intern	-	4.6	-	-	-	-	25.0
Payroll Taxes	24.0						
Total Personnel	357.4	286.4	351.4	245.9	195.2	260.8	334.9
Total Expense	618.4	467.3	535.8	366.9	321.7	391.1	486.3
Net Operating Surplus/(Deficit)	32.9	136.8	2.5	66.9	9.5	3.4	(54.1)

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