

2007 & 2006 Annual Financial Statements

PIONEER INSTITUTE, INC.

85 Devonshire Street; 8th Floor

Boston, Massachusetts

Years Ended September 30, 2007 and 2006

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Certified Public Accountants

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Glenn Ricciardelli, P.C

January 24, 2008

The Board of Directors
PIONEER INSTITUTE, INC.
85 Devonshire Street; 8th Floor
Boston, Massachusetts 02109

We have audited the accompanying statements of financial position of PIONEER INSTITUTE, INC. Not-for-Profit Organization as of September 30, 2007 and 2006, and the related statements of activity and cash flows for the years then ended. These financial statements are the responsibility of the PIONEER INSTITUTE'S management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PIONEER INSTITUTE, INC. Not-for-Profit Organization as of September 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on pages 9 through 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully,

Glenn Ricciardelli, P.C.

Glenn Ricciardelli, P.C.

PIONEER INSTITUTE, INC.

Statement of Financial Position

As of September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS:</u>		
<i>Current Assets:</i>		
Cash & Cash Equivalents (Note A, F)	\$836,599	\$861,026
Contributions Receivable (Note A)	35,518	0
Other Receivables	17,315	11,882
Prepaid Expenses & Deposits	<u>32,375</u>	<u>35,188</u>
Total Current Assets	<u>921,808</u>	<u>908,097</u>
<i>Property & Equipment:</i>		
Furniture & Fixtures	31,091	31,091
Office Equipment	74,174	74,174
Software	138,261	137,121
Leasehold Improvements	<u>35,498</u>	<u>35,498</u>
Subtotal	279,024	277,884
Less: Accumulated Depreciation & Amortization	<u>(271,349)</u>	<u>(233,787)</u>
Net Property & Equipment	7,675	44,097
<i>Long-Term Investments (Note D):</i>	<u>489,605</u>	<u>424,499</u>
Total Assets	<u>\$1,419,088</u>	<u>\$1,376,693</u>
<u>LIABILITIES:</u>		
Accounts Payable & Other Accrued Expenses	<u>\$43,440</u>	<u>\$34,022</u>
Total Liabilities	43,440	34,022
<u>NET ASSETS:</u>		
Unrestricted	1,147,060	1,196,805
Permanently Restricted (Note B)	167,422	90,734
Temporarily Restricted (Note B)	<u>61,166</u>	<u>55,133</u>
Total Net Assets	<u>1,375,648</u>	<u>1,342,672</u>
Total Liabilities and Net Assets	<u>\$1,419,088</u>	<u>\$1,376,694</u>

PIONEER INSTITUTE, INC.

Statement of Activities

As of September 30, 2007 and 2006

	2007		2006	
	Amount	Percent	Amount	Percent
<u>CHANGE in UNRESTRICTED NET ASSETS:</u>				
Revenues and Gains:				
Contributions	\$783,269	62.78%	\$848,599	70.54%
Sales of Publications, Tickets, etc.	25,229	2.02%	21,606	1.80%
Interest Income	34,457	2.76%	18,947	1.58%
Income on Long Term Investments	3,175	0.25%	3,150	0.26%
Realized Gain (Loss) on Long Term Investments	0	0.00%	0	0.00%
Unrealized Gain on Long Term Investments	61,884	4.96%	39,214	3.26%
Miscellaneous Income	2	0.00%	0	0.00%
Total Unrestricted Revenues & Gains	908,016	72.78%	931,516	77.44%
Net Assets Released from Restrictions: (Note C)				
Satisfaction of Program Restrictions	339,609	27.22%	271,415	22.56%
Total Unrestricted Revenues, Gains & Other	1,247,625	100.00%	1,202,930	100.00%
Expenses:				
Management & General Operations	184,573	14.79%	169,669	14.10%
Fund Raising	206,850	16.58%	136,156	11.32%
Outreach & Public Communications	123,471	9.90%	94,050	7.82%
<i>Major Research & Program Categories:</i>				
Education Reform / Center for School Reform	186,001	14.91%	174,282	14.49%
Center for Urban Entrepreneurship	119,443	9.57%	158,134	13.15%
Better Gov. Comp. / Center for Restructuring Gov.	295,688	23.70%	257,405	21.40%
Lovett C. Peters Lecture Series	43,966	3.52%	46,310	3.85%
<i>Other Research & Programs:</i>				
Healthcare	38,233	3.06%	30,166	2.51%
Housing Regulations	75,394	6.04%	105,766	8.79%
Other Environmental	22,269	1.78%	43,444	3.61%
Total Expenses	1,295,889	103.87%	1,215,383	101.04%
Increase/(Decrease) in Unrestricted Net Assets	(48,264)	(3.87%)	(12,452)	(1.04%)
<u>CHANGE in PERMANENTLY & TEMPORARILY RESTRICTED NET ASSETS:</u>				
Contributions - Permanent Restriction (Note A)	76,688	6.15%	90,734	7.54%
Contributions - Temporary Restriction (Note A)	345,643	27.70%	221,909	18.45%
Net Assets Released from Restrictions (Note C)	(339,609)	(27.22%)	(271,415)	(22.56%)
Inc./(Dec.) in Permanent & Temporarily Restricted Net Assets	82,721	6.63%	41,229	3.43%
<u>INCREASE/(DECREASE) IN NET ASSETS:</u>				
	34,457	2.76%	28,776	2.39%
<u>NET ASSETS:</u>				
Beginning of Year	1,341,191	107.50%	1,312,414	109.10%
End of Year	\$1,375,648	110.26%	\$1,341,191	111.49%

PIONEER INSTITUTE, INC.

Statement of Cash Flows

As of September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<i><u>CASH FLOWS from OPERATING ACTIVITIES:</u></i>		
Change in Net Assets	\$34,457	\$28,776
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	37,562	42,221
Decrease/(Increase) in Other Receivables	(5,433)	(10,056)
Decrease/(Increase) in Contributions Receivable	(35,518)	660
Decrease/(Increase) in Prepaid Expenses & Deposits	2,813	3,158
Increase/(Decrease) in Accounts Payable/Deferred Expenses	7,937	(10,231)
Realized Losses/(Gains) on Long Term Investments	0	0
Unrealized Losses/(Gains) on Long Term Investments	<u>(61,930)</u>	<u>(39,402)</u>
Net Cash Provided by Operating Activities	<u>(20,111)</u>	<u>15,127</u>
<i><u>CASH FLOWS from INVESTING ACTIVITIES:</u></i>		
(Purchase) / Disposals of Office Equip., Furn. & Fix., Leasehold Imp. (Net)	(1,140)	(14,649)
(Purchase & Income Reinvestments) / Sales of Long Term Investments	<u>(3,175)</u>	<u>(3,150)</u>
Net Cash Used by Investing Activities	<u>(4,315)</u>	<u>(17,799)</u>
<i><u>NET INCREASE IN CASH & CASH EQUIVALENTS:</u></i>	(24,427)	(2,672)
<i><u>CASH & EQUIVALENTS:</u></i> Beginning of Year	<u>861,026</u>	<u>863,698</u>
<i><u>CASH & EQUIVALENTS:</u></i> End of Year	<u><u>\$836,599</u></u>	<u><u>\$861,026</u></u>

PIONEER INSTITUTE, INC.

Notes to Financial Statements

Years Ended September 30, 2007 and 2006

Note A - Nature of Organization and Significant Accounting Policies

ORGANIZATION:

PIONEER INSTITUTE, INC. is a public policy research organization, which specializes in the support, distribution, and promotion of scholarly research on Massachusetts' public policy issues. The PIONEER INSTITUTE, INC. does not incur any costs related to lobbying for the purpose of influencing legislation as addressed under Section 501 (h) of the Federal Tax Code.

LEASES:

PIONEER INSTITUTE, INC. leases its premises located at 85 Devonshire Street, Boston, Massachusetts. The base rental payments, excluding utilities, for the five [5] year lease period are as follows:

<u>Period</u>	<u>Annual Rent Expense</u>	<u>Amortized (Deferred) Free Rent</u>	<u>Minimum Lease Payments</u>
2004	\$70,131	(\$12,527)	\$57,604
2005	70,131	1,400	71,531
2006	70,131	4,025	74,156
2007	70,131	6,650	76,781
2008	64,287	6,296	70,583

BASIS OF PRESENTATION:

PIONEER INSTITUTE, INC. has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, issued by the Financial Accounting Standards Board (FASB). As such, the financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

CASH AND CASH EQUIVALENTS:

In accordance with SFAS No. 115, *Accounting for Certain Investments in Debt & Equity Securities*, cash & cash equivalents consist of all highly liquid investments with a maturity of 90 days or less. For financial statement purposes, PIONEER INSTITUTE, INC. considers all highly liquid investments with a maturity date of 180 days or less to be cash and cash equivalents. Management believes the Institute is not exposed to any significant credit risk on cash and cash equivalents.

CONTRIBUTED SERVICES:

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, the financial statements reflect \$15,000 and \$15,000 for Certified Public Accounting services provided on a pro-bono basis for the years ended September 30, 2007 and 2006, respectively. In addition, a number of volunteers have donated their time to the Institute, including the Board of Directors & Founding Chairman. The value of this contributed time is not reflected in these financial statements since it is not easily susceptible to objective measurement or valuation.

PIONEER INSTITUTE, INC.

Notes to Financial Statements

Years Ended September 30, 2007 and 2006

REVENUE RECOGNITION:

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions are recognized as revenue when they are received or unconditionally pledged.

PIONEER reports gifts of cash and other assets as permanently restricted support if they are received with donor stipulations that limit the access to the principal portion of the original donated assets. Access to the principal portion of the 2007 permanently restricted assets was limited to 3.50% of the principal balance including current year earnings as of September 30th, 2007, resulting in the release of \$6,072 from permanent restrictions. The permanently restricted fund balances as of September 30th 2007 & 2006 were \$167,422, & \$90,734, respectively.

PIONEER reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions receivable represent amounts unconditionally pledged by donors that have not been received by PIONEER INSTITUTE, INC.

ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, certain expenses have been allocated to operations and programs based upon the time allocated to each by PIONEER INSTITUTE'S employees. Accordingly, actual results could differ from those estimates.

PROPERTY AND DEPRECIATION:

Property amounts are stated at historical cost. For financial purposes, depreciation is computed on a straight-line basis, utilizing useful lives of 3-years for office equipment & software and 5-years for furniture and fixtures. Leasehold improvements are amortized over the length of the lease, or the life of the asset, whichever is shorter.

INCOME TAX STATUS:

PIONEER INSTITUTE, INC. is a nonprofit organization and is exempt from Federal income taxes under Section 501 (c)(3) of the U.S. Internal Revenue Code.

PIONEER INSTITUTE, INC.

Notes to Financial Statements

Years Ended September 30, 2007 and 2006

Note B - Restricted Net Assets

Permanently restricted net assets are available for the following specific programs, at year-end September 30, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Colby Hewitt Endowment for Health Care	<u>\$167,422</u>	<u>\$90,734</u>
Total Permanently Restricted	<u>\$167,422</u>	<u>\$90,734</u>

Temporarily restricted net assets are available for the following specific programs, at year-end September 30, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Lovett C. Peters Lecture Series	<u>\$61,166</u>	<u>\$55,133</u>
Total Temporarily Restricted	<u>\$61,166</u>	<u>\$55,133</u>

Note C - Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donor.

For the years ended September 30, 2007 and 2006, the following purpose restrictions were accomplished:

	<u>2007</u>	<u>2006</u>
Center for Urban Entrepreneurship	\$61,500	\$121,195
Outreach & Public Communications	18,000	0
Management/Operations	0	0
Shamie Center for Restructuring Gov't & Better Gov't Competition	67,170	34,529
Other Research Programs	23,983	22,630
Education Reform	124,990	46,750
LCP Lecture Series	<u>43,966</u>	<u>46,310</u>
Total Restrictions Released	<u>\$339,609</u>	<u>\$271,415</u>

Note D - Investments

Investments are carried at market value, while realized and unrealized gains and losses are reflected in the statement of activities. PIONEER INSTITUTE's long-term investments at September 30, 2007 included \$489,605 of security positions in mutual funds. PIONEER INSTITUTE's long-term investments at September 30, 2006 included \$424,499 of security positions in mutual funds.

Note E - Agency Transaction

PIONEER INSTITUTE holds no "Pass Through" grants as of September 30th, 2007.

PIONEER INSTITUTE, INC.

Notes to Financial Statements

Years Ended September 30, 2007 and 2006

Note F – Concentration of Credit Risk

PIONEER INSTITUTE maintains a single bank account at large regional financial institution. The Federal Deposit Insurance Corporation (FDIC) insures accounts at an institution up to \$100,000. For the periods ending September 30, 2007 and 2006, cash at this institution exceeded federally insured limits by \$734,289 and \$755,533, respectively.

PIONEER INSTITUTE, INC.
 Supplemental Schedule - Summary of Funding Expenses by Program
 For the Years Ended September 30th, 2007 and 2006

Account Number/ Description	2007 DISTRIBUTION OF FUNDING & EXPENSE BY PROGRAM											2007 Total Funding & Expense	2006 Total Funding & Expense	
	Management & Unrestricted Operations	Fund Raising	Outreach & Public Communications	Education / Center for School Reform	Center for Urban Entrepreneurship	Shamie Center for Restructuring Government	LCP Lecture Series	Colby Hewitt Endowment	Other Research & Programs					
									Healthcare	Housing Regulations	Other Environmental			
REVENUE:														
UNRESTRICTED DONATIONS:														
Individual Donations-Unrestricted	\$612,143.47													\$612,143.47
Corporate Donations-Unrestricted	12,125.80													12,125.80
Foundation Donations-Unrestricted	144,000.00													144,000.00
Total - Unrestricted Donations	768,269.27													768,269.27
IN-KIND DONATIONS - UNRESTRICTED:														
In-Kind Donations-Unrestr.	15,000.00													15,000.00
PERMANENT & TEMPORARILY RESTRICTED DONATIONS:														
Individual Donations-Restricted			18,000.00	\$74,500.00	\$8,000.00	2,000.00	\$50,000.00							144,500.00
Corporate Donations-Restricted				49,500.00	50,000.00	80.00								8,080.00
Foundation Donations-Restricted:				124,000.00	58,000.00	2,080.00	50,000.00			15,910.60				115,410.60
Subtotal			18,000.00	124,000.00	58,000.00	2,080.00	50,000.00			15,910.60				267,990.60
Event Sponsorship-Restricted				990.00	3,500.00	65,090.00			\$2,000.00					71,580.00
Endowments:														
Colby Hewitt Endowment							\$82,759.91							82,759.91
Subtotal							82,759.91							82,759.91
Total - Restricted Donations			18,000.00	124,990.00	61,500.00	67,170.00	50,000.00	2,000.00		15,910.60				422,330.51
OTHER REVENUE:														
Ticket Sales (Event Fees)						23,320.00								23,320.00
Book Sales (Sales of all publications)	229.05					265.00								494.05
Editorial Income (Fees for writing assignments)	200.00													200.00
Reimbursed Expenses (Reimbursed Expenses)	1,215.00													1,215.00
Total - Other Revenue	1,644.05					23,585.00								25,229.05
Total Revenue	784,913.32		18,000.00	124,990.00	61,500.00	90,755.00	50,000.00	2,000.00		15,910.60				1,230,828.83
OPERATING EXPENSES:														
EMPLOYMENT COSTS:														
Gross Wages	93,507.24	100,069.61	\$53,071.78	81,739.83	63,528.69	64,237.25		16,381.35	41,961.03	3,549.23				489,359.63
Bonus	361.00	386.33	204.90	315.57	245.26	248.00		63.24	182.00	13.70				394.62
Federal P/R Taxes - FICA/MC/FUTA	6,849.30	7,329.98	3,887.44	5,987.35	4,653.40	4,705.30		1,199.92	3,073.60	259.98				36,857.38
State P/R Taxes (SUI/Health tax)	52.33	56.00	29.69	45.74	35.55	35.94		9.17	23.48	1.99				194.00
Health & Dental-employer share	10,859.63	11,621.75	6,163.59	9,493.00	7,378.02	7,460.30		1,902.48	4,873.22	412.20				27,966.66
401K-employer share	1,908.32	2,042.25	1,083.11	1,668.17	1,296.51	1,310.97		334.32	856.35	72.43				11,348.80
Pension Plan Charges	184.57	176.12	93.41	143.86	111.81	113.05		28.85	73.85	6.25				1,883.50
Workmen's Compensation	193.53	207.11	109.84	169.17	131.48	132.95		33.90	86.84	7.35				1,257.00
Unemployment Benefits	(36.12)	(36.12)	(19.16)	(29.51)	(29.93)	(23.19)		(5.91)	(15.15)	(1.28)				(187.00)
Payroll Expenses (all costs to process payroll)	542.37	580.42	307.83	474.11	368.48	372.60		95.02	243.38	20.59				3,004.80
Employment Costs - Other														
CONSULTANTS (all program consultants)	3,090.00	39,288.07	18,000.00	400.00	2,000.00	42,513.00		1,560.00		1,800.00				108,651.07
Consultant Expenses (travel & other billed expense)		4,789.00		837.21		11,467.88		45.00						17,139.09
Temporary help (temporary office help)	552.00					554.89								1,106.89
Annual Audit	20,000.00													20,000.00
RESEARCH:														
Research Assistants (Part-time inside research)		112.50		7,095.50	419.50	6,851.25				2,012.50				16,491.25
Research Assistant Expenses (all reimbursed expenses)				19,760.00	2,000.00	14,625.00			3,500.00	9,000.00				48,885.00
Contracts (authors and other outside res)				2,812.52										2,812.52
Contract Expenses														250.00
Peer Review														16,110.95
Prizes														
PRINTING & PUBLISHING:														
Printing Costs (Printing)	1,837.23	70.00	6,459.45	5,472.56	2,493.04	7,912.28		515.00	1,608.00	465.00				29,152.85
Editors/Writers	270.00	243.00	9,272.00	8,561.00	4,365.00	30,874.13		445.00	3,899.50	1,536.00				60,269.63
Graphic Design			725.00			939.88			383.25					2,048.13
Printing & Publishing - Other		81.00	877.50	351.00	594.00	351.00				162.00				2,916.00
DISTRIBUTION COSTS:														
Copying/Reproduction			245.70		163.80	1,101.22			127.26					409.50
Postage Costs (Postage/Meter/BRE/Permits)	1,650.34	3,067.88	3,201.24	364.38	774.79	316.53			19.55					7,622.65
Shipping/Delivery fees	808.67		380.17	94.19	365.11	897.62								1,982.41
Mailing Services (Outside mailing costs)														2,239.31
Advertising Costs (Pub./Internet advertising)		75.00												75.00

PIONEER INSTITUTE, INC.
Supplemental Schedule - Summary of Funding Expenses by Program
For the Years Ended September 30th, 2007 and 2006

Account Number/ Description	2007 DISTRIBUTION OF FUNDING & EXPENSE BY PROGRAM											2006 Total Funding & Expense
	Management & Unrestricted Operations	Fund Raising	Outreach & Public Communications	Education / Center for School Reform	Center for Urban Entrepreneurship	Government Restructuring	LCP Lecture Series	MAJOR RESEARCH & PROGRAM CATEGORIES			2007 Total Funding & Expense	
								Colby Hewitt Endowment	Healthcare	Other Research & Programs Housing Regulations Environmental		
EVENTS & MEETINGS:												
Room Costs (Rentals)	500.00			1,240.00		1,229.96	420.65		1,620.11		360.00	3,217.72
Food & Beverage Costs	4,671.79	84.80	1,363.18	3,466.75	3,988.01	45,855.88	28,220.18		6,531.39		276.93	93,817.43
Transportation	46.00			3,215.04		3,585.80	247.60					7,094.44
Photography	164.63					542.14	450.00				600.00	3,180.47
Tapings and Transcripts				362.25		201.25						814.75
Audio-Visual	550.00			942.00	879.00	4,505.50	2,843.50		1,180.00			21,649.46
Honorarium	76.70				135.00	1,959.25	2,218.04		315.00			11,000.00
Other Event Expenses												5,076.70
STAFF BUSINESS EXPENSES:												4,627.29
Breakfasts/Luncheons			14.75			(184.79)						48.90
Training Fees/Meeting expenses (all training expenses)	140.00			185.00		1,426.11	25.00		48.00			3,301.21
Transportation (travel, cabs, parking, auto)	527.90	1,518.67	55.25	1,182.12	1,302.39	1,426.11			216.20			3,654.41
Meals/Food	1,729.68	286.87	129.16	1,247.18	376.03	921.00			31.80		37.54	4,759.26
Entertainment	666.00											666.00
Lodging						463.42						463.42
Miscellaneous/Party Cash	13.76	32.47										89.17
OFFICE OPERATIONS:												
Rent (Rent)	12,041.05	12,886.09	6,834.12	10,525.74	8,180.66	8,271.90		2,109.44	5,403.37		457.04	66,709.42
Equip. Supplies (Equipment Rental)	125.80	134.64	71.40	109.97	85.47	86.43		22.04	56.46		4.78	432.78
Equip. Contracts/Rental	2,345.10	2,509.68	1,331.01	2,049.98	1,593.26	1,611.03		410.83	1,052.36		89.01	12,992.26
Equip. Maintenance & Repairs	203.40	217.67	115.44	177.80	138.18	139.72		35.63	91.27		7.72	6,277.14
Electric (Utilities)	946.45	1,012.87	537.17	827.34	643.01	650.19		165.81	424.71		35.92	5,243.47
Telephone (Telephone)	1,046.59	1,120.05	594.02	914.89	711.06	718.99		183.35	669.66		39.73	6,868.46
Office Supplies (Supplies)	2,151.04	2,301.98	1,220.85	1,880.33	1,461.40	1,477.70		376.83	965.26		81.65	9,363.93
Insurance (Insurance)	846.37	905.76	480.37	739.85	575.02	581.43		148.27	379.80		32.13	8,544.19
Accounting Fees (Accounting Fees)	2,084.95	2,231.28	1,183.35	1,822.57	1,416.51	1,432.32		365.26	955.62		79.14	11,608.75
Legal Fees	869.29	930.29	493.38	759.89	590.59	592.18		152.29	390.09		33.00	4,816.00
Publications/Subscriptions	776.51	831.00	440.72	678.79	527.56	533.44		136.04	348.46		29.47	4,301.99
Dues/Memberships	4.52	4.83	2.56	3.94	3.07	3.10		0.79	2.02		0.17	25.00
Licenses and Permits (Licenses)	198.56	212.48	112.69	173.56	134.89	136.40		34.78	89.10		7.54	1,100.00
INTERNET/WEBSITE:	291.51	311.97	165.45	254.82	198.05	200.26		51.07	130.81		11.06	1,615.00
Internet Access Fees (DSL)	187.59	200.77	106.48	163.99	127.46	128.88		32.87	84.19		7.12	1,039.35
Design	808.71	865.48	459.01	706.95	549.45	555.58		141.68	362.91		30.70	4,480.47
Programming	351.67	376.35	199.60	307.41	238.92	241.59		61.61	157.81		13.35	1,349.50
Hosting (Web/Email)	177,053.35	199,080.90	119,623.28	180,073.98	114,836.60	291,030.46	43,966.31	36,782.21	72,351.24		22,011.81	1,256,770.15
Subtotal - Operating Expenses	(34,456.50)	(3,175.33)	(41.01)	(61,930.10)	(2,022.02)	(99,517.54)	(61,310.53)	(34,456.50)	(3,175.33)	(41.01)	(2,022.02)	(61,310.53)
OTHER INCOME:												
Interest Income (Interest Income)												
Dividend Income												
Other Capital Gains/Losses												
Increase/Decrease in mkt.value												
Miscellaneous Income												
Subtotal - Other Income												
OTHER EXPENSE:												
Finance Charges	60.00	533.53										33.40
Bank Service Charges (Bank Service Charges)	680.09	7,255.75	3,848.08	5,928.71	4,606.28	4,657.65		1,187.76	3,042.47		257.34	593.53
Brokerage Fees	7,520.03	7,789.28	3,848.08	5,928.71	4,606.28	4,657.65		1,187.76	3,042.47		257.34	963.31
Depreciation Expense (Depreciation Expense)	\$699,862.88	(\$206,850.18)	(\$105,471.36)	(\$61,010.69)	(\$57,942.88)	(\$204,933.11)	\$6,033.69	\$82,471.29	(\$59,483.11)	(\$22,269.15)		37,561.98
Subtotal - Other Expenses												42,221.43
Net Income/(Loss)												\$34,457.40
CHANGE IN RESTRICTED NET ASSETS:												
PERMANENTLY RESTRICTED FUNDS:												
Beginning Balance - Permanently Restricted Funds												
Plus: 2007 Permanently Restricted Contributions												
Less: 2007 Funds Released From Permanent Restriction												
Subtotal												
Total												
TEMPORARILY RESTRICTED FUNDS:												
Beginning Balance - Temporarily Restricted Funds												
Plus: 2007 Funds Released From Permanently Restricted Fur												
Less: 2007 Funds Released From Restriction												
Subtotal												
Total												
Funds Released From Restriction												
Ending Restricted Balance												