

## 2008 & 2007 Annual Financial Statements

### **PIONEER INSTITUTE, INC.**

85 Devonshire Street; 8<sup>th</sup> Floor

Boston, Massachusetts

Years Ended September 30, 2008 and 2007

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**GLENN RICCIARDELLI, P.C.**

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Certified Public Accountants

## GLENN RICCIARDELLI, P.C.

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Certified Public Accountants  
105 Beach Street • Boston, Massachusetts 02111  
Office (617) 426-1551 • Facsimile (617) 426-6023

Glenn Ricciardelli, P.C

March 5, 2009

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, 2008 and 2007, 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, 2008 and 2007, 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 11 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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b><u>ASSETS:</u></b>		
<i><u>Current Assets:</u></i>		
Cash & Cash Equivalents (Note A, F)	\$753,099	\$836,599
Contributions Receivable (Note A)	8,885	35,518
Other Receivables	1,218	17,315
Prepaid Expenses & Deposits	<u>32,137</u>	<u>32,375</u>
Total Current Assets	<u>795,339</u>	<u>921,808</u>
<i><u>Property &amp; Equipment:</u></i>		
Furniture & Fixtures	31,091	31,091
Office Equipment	81,047	74,174
Software	138,261	138,261
Leasehold Improvements	<u>35,498</u>	<u>35,498</u>
Subtotal	285,897	279,024
Less: Accumulated Depreciation & Amortization	<u>(280,474)</u>	<u>(271,349)</u>
Net Property & Equipment	5,423	7,675
<i><u>Long-Term Investments (Note D):</u></i>	<u>855,431</u>	<u>489,605</u>
Total Assets	<u><u>\$1,656,192</u></u>	<u><u>\$1,419,088</u></u>
<b><u>LIABILITIES:</u></b>		
Accounts Payable & Other Accrued Expenses	<u>\$36,117</u>	<u>\$43,440</u>
Total Liabilities	36,117	43,440
<b><u>NET ASSETS:</u></b>		
Unrestricted	1,109,232	1,147,060
Permanently Restricted (Note B)	185,892	167,422
Temporarily Restricted (Note B)	<u>324,951</u>	<u>61,166</u>
Total Net Assets	<u>1,620,075</u>	<u>1,375,648</u>
Total Liabilities and Net Assets	<u><u>\$1,656,192</u></u>	<u><u>\$1,419,088</u></u>

**PIONEER INSTITUTE, INC.**

## Statement of Activities

As of September 30, 2008 and 2007

	2008		2007	
	Amount	Percent	Amount	Percent
<b><i>CHANGE in UNRESTRICTED NET ASSETS:</i></b>				
Revenues and Gains:				
Contributions	\$788,377	66.31%	\$783,269	62.78%
Sales of Publications, Tickets, etc.	27,558	2.32%	25,229	2.02%
Interest Income	24,137	2.03%	34,457	2.76%
Income on Long Term Investments	12,281	1.03%	3,175	0.25%
Realized Gain (Loss) on Long Term Investments	0	0.00%	0	0.00%
Unrealized Gain on Long Term Investments	(122,930)	(10.34%)	61,884	4.96%
Miscellaneous Income	297	0.02%	2	0.00%
Total Unrestricted Revenues & Gains	729,720	61.37%	908,016	72.78%
Net Assets Released from Restrictions: (Note C)				
Satisfaction of Program Restrictions	459,234	38.63%	339,609	27.22%
Total Unrestricted Revenues, Gains & Other	1,188,954	100.00%	1,247,625	100.00%
Expenses:				
Management & General Operations	166,680	14.02%	184,573	14.79%
Fund Raising	247,942	20.85%	206,850	16.58%
Outreach & Public Communications	58,269	4.90%	123,471	9.90%
<i>Major Research &amp; Program Categories:</i>				0.00%
Center for School Reform	229,919	19.34%	186,001	14.91%
Center for Economic Opportunity	70,248	5.91%	119,443	9.57%
Shamie Center for Better Government	245,850	20.68%	295,688	23.70%
Middle Cities Initiative	81,384			
Lovett C. Peters Lecture Series	39,631	3.33%	43,966	3.52%
Other Research & Programs	87,756	7.38%	135,896	10.89%
Total Expenses	1,227,680	103.26%	1,295,889	103.87%
Increase/(Decrease) in Unrestricted Net Assets	(38,726)	(3.26%)	(48,264)	(3.87%)
<b><i>CHANGE in PERMANENTLY &amp; TEMPORARILY RESTRICTED NET ASSETS:</i></b>				
Contributions - Permanent Restriction (Note A)	18,470	1.55%	76,688	6.15%
Contributions - Temporary Restriction (Note A)	723,018	60.81%	345,643	27.70%
Interest Income		0.00%		
Income on Long Term Investments	1,950	0.16%		
Realized Gain (Loss) on Long Term Investments		0.00%		
Unrealized Gain on Long Term Investments	(1,051)	(0.09%)		
Net Assets Released from Restrictions (Note C)	(459,234)	(38.63%)	(339,609)	(27.22%)
Inc./(Dec.) in Permanent & Temporarily Restricted Net Assets	283,154	23.82%	82,721	6.63%
<b><i>INCREASE/(DECREASE) IN NET ASSETS:</i></b>	244,427	20.56%	34,457	2.76%
<b><i>NET ASSETS:</i></b> Beginning of Year	1,375,648	115.70%	1,341,190	107.50%
<b><i>NET ASSETS:</i></b> End of Year	\$1,620,075	136.26%	\$1,375,648	110.26%

**PIONEER INSTITUTE, INC.**

## Statement of Cash Flows

As of September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<i>CASH FLOWS from OPERATING ACTIVITIES:</i>		
Change in Net Assets	\$244,427	\$34,457
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	9,126	37,562
Decrease/(Increase) in Other Receivables	16,097	(5,433)
Decrease/(Increase) in Contributions Receivable	26,633	(35,518)
Decrease/(Increase) in Prepaid Expenses & Deposits	238	2,813
Increase/(Decrease) in Accounts Payable/Deferred Expenses	(7,322)	7,937
Realized Losses/(Gains) on Long Term Investments	0	0
Unrealized Losses/(Gains) on Long Term Investments	<u>123,981</u>	<u>(61,930)</u>
Net Cash Provided by Operating Activities	<u>413,180</u>	<u>(20,111)</u>
<i>CASH FLOWS from INVESTING ACTIVITIES:</i>		
(Purchase) / Disposals of Office Equip., Furn. & Fix., Leasehold Imp. (Net)	(6,873)	(1,140)
(Purchase & Income Reinvestments) / Sales of Long Term Investments	<u>(489,807)</u>	<u>(3,175)</u>
Net Cash Used by Investing Activities	<u>(496,680)</u>	<u>(4,315)</u>
<i>CASH FLOWS from FINANCING ACTIVITIES:</i>		
Net Cash Used by Financing Activities	<u>          </u>	<u>          </u>
<i>NET INCREASE IN CASH &amp; CASH EQUIVALENTS:</i>	(83,500)	(24,427)
<i>CASH &amp; EQUIVALENTS:</i> Beginning of Year	<u>836,599</u>	<u>861,026</u>
<i>CASH &amp; EQUIVALENTS:</i> End of Year	<u>\$753,099</u>	<u>\$836,599</u>

## PIONEER INSTITUTE, INC.

Notes to Financial Statements

Years Ended September 30, 2008 and 2007

### 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 ending November 30<sup>th</sup>, 2008 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, 2008 and 2007, respectively. In addition, a number of volunteers have donated their time to the Institute, including the Board of Directors & Founding Chairman.

## **PIONEER INSTITUTE, INC.**

Notes to Financial Statements

Years Ended September 30, 2008 and 2007

The value of this contributed time is not reflected in these financial statements since it is not easily susceptible to objective measurement or valuation.

### 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 2008 permanently restricted assets was limited to 3.50% of the principal balance including current year earnings as of September 30<sup>th</sup>, 2008, resulting in the release of \$6,775 from permanent restrictions, which was released subsequent to the 2008 fiscal year end. The permanently restricted fund balances as of September 30<sup>th</sup> 2008 & 2007 were \$185,892, & \$167,422, 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. The temporarily restricted fund balances as of September 30<sup>th</sup> 2008 & 2007 were \$324,951, & \$61,166, respectively.

Contributions receivable represent amounts unconditionally pledged by donors that have not been received by PIONEER INSTITUTE, INC. Contributions receivable fund balances as of September 30<sup>th</sup> 2008 & 2007 were \$8,885, & \$35,518, respectively.

### 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, 2008 and 2007

### Note B - Restricted Net Assets

Permanently restricted net assets are available for the following specific programs, at year-end September 30, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Colby Hewitt Endowment for Health Care	<u>\$185,892</u>	<u>\$167,422</u>
Total Permanently Restricted	<u>\$185,892</u>	<u>\$167,422</u>

Temporarily restricted net assets are available for the following specific programs, at year-end September 30, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Lovett C. Peters Lecture Series	\$71,535	\$61,166
Research & Programs – Middle City Initiative	218,616	0
Pioneer Building Fund	<u>34,800</u>	<u>0</u>
Total Temporarily Restricted	<u>\$324,951</u>	<u>\$61,166</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, 2008 and 2007, the following purpose restrictions were accomplished:

	<u>2008</u>	<u>2007</u>
Management/General Operations	\$6,300	\$0
Fund Raising	176,000	0
Outreach & Public Communications	0	18,000
Center for School Reform	35,500	124,990
Center for Economic Opportunity	61,333	61,500
Shamie Center for Better Government	52,310	67,170
Middle Cities Initiative	81,384	0
LCP Lecture Series	39,631	43,966
Other Research Programs	<u>6,775</u>	<u>23,983</u>
Total Restrictions Released	<u>\$459,234</u>	<u>\$339,609</u>



## **PIONEER INSTITUTE, INC.**

Notes to Financial Statements

Years Ended September 30, 2008 and 2007

### **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, 2008 included \$855,431 of security positions in mutual funds. PIONEER INSTITUTE's long-term investments at September 30, 2007 included \$489,605 of security positions in mutual funds. The investment accounts are reviewed by the Board of Directors & Investment Committee on a quarterly basis.

### **Note E – Agency Transaction**

PIONEER INSTITUTE holds no "Pass Through" grants as of September 30th, 2008.

### **Note F – Concentration of Credit Risk**

The Federal Deposit Insurance Corporation (FDIC), during the period covered by these statements, insured accounts at member institutions up to \$100,000. Pioneer Institute maintains several bank accounts at a large regional financial institution. For the periods ending September 30, 2008 and 2007, cash at this institution exceeded federally insured limits by \$1,127,067 and \$734,289, respectively. Effective October 3, 2008 to December 31, 2009, the FDIC insures accounts at member institutions up to \$250,000. Following the close of the period covered by these statements, Pioneer Institute opened additional bank accounts and reduced its cash balance at each member institution to an amount below the revised \$250,000 insured amount.

**PIONEER INSTITUTE, INC.**  
Supplemental Schedule - Summary of Funding & Expenses by Program  
For the Years Ended September 30th, 2008 and 2007

Account Number / Description	2008 DISTRIBUTION OF FUNDING & EXPENSE BY PROGRAM											2007 Total Funding & Expense	
	Management & General Operations	Fund Raising	Pioneer Building Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Shamis Center for Better Government	Middle Cities Initiative	LCP Lecture Series	Colby Hewitt Encowment	Other Research Programs		2008 Total Funding & Expense
<b>REVENUE:</b>													
<b>UNRESTRICTED DONATIONS:</b>													
4-1010 - Individual Donations	\$619,836											\$619,836	
4-1020 - Corporate Donations	32,591											32,591	
4-1030 - Foundation Donations	120,700											120,700	
Total - Unrestricted Donations	773,127											773,127	
<b>IN-KIND DONATIONS:</b>													
4-1040 - In-Kind Donations	15,000	\$250										15,250	
Total - In-Kind Donations	15,000	250										15,250	
<b>PERMANENT &amp; TEMPORARILY RESTRICTED DONATIONS:</b>													
4-2010 - Individual Donations		175,000										175,000	
4-2020 - Corporate Donations	5,300	1,000	\$4,800		\$35,000	\$9,333	120	\$300,000	\$50,000	\$7,850		232,850	
4-2030 - Foundation Donations						50,000	10,000					9,453	
4-2035 - 20th Anniversary Fund												402,300	
4-2040 - Event Sponsorship						2,000	34,340					34,800	
Subtotal	5,300	176,000	34,800		35,500	61,333	52,370	300,000	55,000			715,243	
<b>Endowments:</b>													
4-2100 - Encowments													
4-2110 - Colby Hewitt Endowment									\$25,245			25,245	
Subtotal									25,245			25,245	
Total 4-2000 - Restricted Donations	5,300	176,000	34,800		35,500	61,333	52,370	300,000	50,000	25,245		741,488	
<b>OTHER REVENUE:</b>													
4-5000 - Ticket Sales	30	3,450					17,260					20,710	
4-6000 - Book Sales	1,900						20					50	
4-7000 - Editorial Income	728	1,115			3,057							1,500	
4-8150 - Reimbursed Expenses	2,856	4,565			3,057		17,280					4,898	
Subtotal	797,084	180,815	34,800		38,557	61,333	69,550	300,000	50,000	25,245		1,557,424	
<b>Total Income</b>												<b>1,230,829</b>	
<b>OPERATING EXPENSES:</b>													
<b>EMPLOYMENT COSTS:</b>													
6-1100 - Gross Wages	88,740	130,954		\$29,402	110,658	38,326	71,643	45,546				563,549	
6-1150 - Bonus	1,175	1,728		369	1,465	507	948	603				7,500	
6-1200 - Federal P/R Taxes-employer	6,464	9,510		2,142	8,061	2,792	5,219	3,318				41,271	
6-1300 - State P/R Taxes	26	38		8	32	11	21	13				15	
6-1400 - Health & Dental-employer	10,326	15,151		3,421	12,876	4,460	8,336	5,300				60,164	
6-1500 - 401K-employer share	1,777	2,614		569	2,216	767	1,434	912				11,343	
6-1550 - Pension Plan Charges	237	349		79	266	103	192	122				1,516	
6-1600 - Workmen's Compensation	98	144		32	122	79	79	50				526	
6-1800 - Payroll Expenses	321	472		106	400	139	259	165				2,049	
Subtotal	109,163	150,601		36,169	136,127	47,146	88,132	56,029				633,821	
<b>OUTSIDE SERVICES:</b>													
6-2100 - Consultants	2,624	22,065			3,375		28,500	600	4,500			66,309	
6-2150 - Consultant Expenses		2,876			594		180					3,650	
6-2175 - Search Firms		10,000										10,000	
6-2200 - Temporary help							738					738	
6-2500 - Other Outside Services		1,000					0					1,000	
6-2400 - Annual Audit												20,000	
Subtotal	22,624	35,961			3,969		29,418	600	4,500			101,697	
<b>RESEARCH:</b>													
6-3100 - Research Assistants					1,820	3,000	660					5,500	
6-3150 - Research Assistant Expenses					27,575	4,000	29,275	6,580				70,930	
6-3200 - Contracts					1,692			363				2,393	
6-3250 - Contract Expenses												349	
6-3260 - Peer Review												250	
6-3300 - Prizes												16,111	
Subtotal					31,077	7,000	43,955	6,943				84,630	
<b>PRINTING &amp; PUBLISHING:</b>													
6-4100 - Printing Costs	1,563	2,025		3,687	4,917	1,483	6,979	971	951			23,101	
6-4300 - Editors/Writers	344	2,127		6,489	14,331	1,846	16,352	750	675			44,454	

**PIONEER INSTITUTE, INC.**  
 Supplemental Schedule - Summary of Funding & Expenses by Program  
 For the Years Ended September 30th, 2008 and 2007

Account Number / Description	2008 DISTRIBUTION OF FUNDING & EXPENSE BY PROGRAM										2007 Total Funding & Expense		
	Management & General Operations	Fund Raising	Pioneer Building Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Shamie Center for Better Government	Middle Cities Initiative	LCP Lecture Series	Coby Hewitt Endowment		Other Research Programs	2008 Total Funding & Expense
8-4400 · Graphic Design	25	315		1,750	120	30	1,765	55	155			4,215	2,048
8-4000 · Printing & Publishing Other	1,932	4,467		11,926	19,367	3,358	25,138	1,776	1,781		2,057	71,800	2,516
<b>Subtotal</b>													94,387
<b>DISTRIBUTION COSTS:</b>													
8-5100 · Copying/Reproduction	1,462	3,549		299	44		1,788		943		50	343	410
8-5200 · Postage Costs	97	27		1,667	1,442	437						11,338	10,507
8-5300 · Shipping/Delivery fees							703					124	1,249
8-5400 · Mailing Services							33					703	2,239
8-5500 · Advertising Costs	25											64	75
<b>Subtotal</b>	1,584	3,576		1,966	1,486	437	2,529		943		50	12,572	14,580
<b>EVENTS &amp; MEETINGS:</b>													
8-6100 · Room Costs	4,534	400		345	725	786	3,020	744	528		300	5,505	5,371
8-6200 · Food & Beverage Costs		4,310			2,850	1,336	31,239	881	28,169		1,659	75,322	94,484
8-6250 · Transportation					800		2,448				161	3,409	7,094
8-6300 · Photography				45			500		500			1,045	1,457
8-6500 · Tapes and Transcripts				27							552	579	815
8-6600 · Audio-Visual	680	75			768	245			3,210			5,253	10,900
8-6800 · Honorarium	193			300	4,015							5,077	4,206
8-6950 · Other Event Expenses		721			439		64					1,523	4,827
<b>Subtotal</b>	5,407	5,505		717	9,597	2,369	37,545	1,625	32,407		2,672	97,844	129,325
<b>STAFF BUSINESS EXPENSES:</b>													
6-7200 · Training/Meeting Fees	3,024	4,340		66	610	549	284		927		40	40	300
6-7300 · Transportation	1,479	1,233		330	669	138	1,017		473		113	9,913	6,302
6-7400 · Meals/Food	51				40		52				303	5,644	4,774
6-7500 · Entertainment		749			271		479					143	566
6-7600 · Lodging												1,498	463
6-7700 · Miscellaneous/Petty Cash	4,554	6,322		396	1,589	588	1,845		1,419		457	17,270	12,582
<b>Subtotal</b>	11,774	17,322		3,901	14,693	5,085	9,506		6,043		6,857	75,172	66,709
<b>OFFICE OPERATIONS</b>													
6-8100 · Rent	50	73		16	62	21	40		25		29	317	697
6-8150 · Equip. Supplies	1,143	1,661		379	1,425	493	922		586		655	7,294	12,992
6-8175 · Equip. Contracts/Rental	104	153		34	129	45	84		53		60	1,127	1,127
6-8180 · Equip. Maintenance & Repairs	735	1,061		243	916	317	593		377		428	4,691	5,243
6-8200 · Electric	1,404	1,122		253	951	329	616		391		444	4,668	5,798
6-8300 · Telephone	592	2,065		465	1,750	505	1,133		720		818	8,962	11,917
6-8500 · Office Supplies	1,572	2,312		521	1,950	679	1,269		807		915	10,034	11,551
6-8600 · Insurance	42	51		14	52	18	34		21		24	265	4,816
6-8725 · Accounting Fees	610	867		202	761	263	492		313		355	3,895	4,302
6-8800 · Publications/Subscriptions	258	380		86	322	112	209		133		151	1,650	1,125
6-8850 · Dues/Memberships	193	265		64	241	84	156		96		113	1,235	1,615
6-8875 · Licenses and Permits				6,407	24,114	8,352	15,612		9,925		11,262	123,461	132,582
<b>Subtotal</b>	19,338	28,450		6,407	24,114	8,352	15,612		9,925		11,262	123,461	132,582
<b>INTERNET/WEBSITE:</b>													
6-9100 · Internet Access	227	334		75	283	98	183		116		132	1,449	1,039
6-9300 · Programming	38	56		13	48	17	31		20		22	245	4,480
6-9400 · Hosting	19	28		6	23	10	15		10		11	120	1,948
<b>Subtotal</b>	284	418		94	354	123	229		146		165	1,814	7,468
<b>Total Expense</b>	164,865	245,301		57,675	227,680	69,473	244,401		80,463		86,711	1,216,220	1,256,770

**PIONEER INSTITUTE, INC.**  
 Supplemental Schedule - Summary of Funding & Expenses by Program  
 For the Years Ended September 30th, 2008 and 2007

Account Number / Description	2008 DISTRIBUTION OF FUNDING & EXPENSE BY PROGRAM										2008 Total Funding & Expense	2007 Total Funding & Expense	
	MAJOR RESEARCH & PROGRAM CATEGORIES												
	Management & General Operations	Fund Raising	Pioneer Building Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Shamee Center for Better Government	Middle Cities Initiative	LCP Lecture Series	Colby Hewitt Endowment			Other Research Programs
<b>OTHER (INCOME)/EXPENSE:</b>													
7-1000 - Interest Income	(24,137)												(24,137)
7-2000 - Dividend Income	(12,281)												(14,231)
7-4000 - Other Capital Gains/Losses	5,576												5,576
7-5000 - Increase/Decrease in mkt.value	117,354												118,405
7-6000 - Miscellaneous Income	(297)												(297)
Subtotal	86,215												85,317
<b>OTHER EXPENSE:</b>													
8-1100 - Finance Charges	8	12		3									
8-1200 - Bank Service Charges	9	13		3									
8-1300 - Brokerage Fees	258	380		86									
8-1800 - PayPal Fees	90	133		30									
8-2000 - Depreciation Expense	1,429	2,103		474									
Subtotal	1,795	2,641		595									
<b>Net Income/(Loss)</b>	<b>\$544,188</b>	<b>(\$67,127)</b>	<b>\$34,800</b>	<b>(\$58,269)</b>	<b>(\$191,362)</b>	<b>(\$175,260)</b>	<b>\$218,515</b>	<b>\$10,359</b>	<b>\$26,144</b>	<b>(\$87,756)</b>	<b>\$1,450</b>	<b>\$244,427</b>	<b>\$34,457</b>

**CHANGE IN RESTRICTED NET ASSETS:**

**PERMANENTLY RESTRICTED FUNDS:**

Beginning Balance - Permanently Restricted Funds	
Plus: 2008 Permanently Restricted Contributions	\$167,422
Plus/(Minus): Dividends, Interest, & Mkt Value Permanently Restricted Funds	26,144
Subtotal	192,667
Less: 2008 Funds Released From Permanent Restriction	(6,775)
Total	\$185,892

**TEMPORARILY RESTRICTED FUNDS:**

Beginning Balance - Temporarily Restricted Funds	
Plus: 2008 Funds Released from Permanently Restrictor Funds	\$61,166
Subtotal	\$61,166
Less: 2008 Funds Released from Restriction	\$61,166
Funds Released From Restriction	\$61,166
Ending Restricted Balance	\$0

**NOTES TO SUPPLEMENTAL SCHEDULE:**

Note 1: The category "Other Research Programs" includes projects for Healthcare, Housing Regulations, & Other Environmental for which there were no restricted revenues collected during October 2007 through September 2008.