2013 & 2012 Annual Financial Statements

PIONEER INSTITUTE, INC.

185 Devonshire Street; Suite 1101
Boston, Massachusetts 02110
Years Ended September 30, 2013 and 2012

Contents:

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Glenn Ricciardelli, P.C

The Board of Directors
PIONEER INSTITUTE, INC.
185 Devonshire Street; Suite 1101
Boston, Massachusetts 02110

Report on Financial Statements

We have audited the accompanying financial statements of PIONEER INSTITUTE, INC., which comprise the statement of financial position as of September 30, 2013 and 2012, the related statements of activity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of PIONEER INSTITUTE, INC. as of September 30, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Report on Supplemental Information

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 14-16 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, PC

Boston, Massachusetts
January 16, 2014

PIONEER INSTITUTE, INC.
Statement of Financial Position
As of September 30, 2013 and 2012

	2013	2012
ASSETS:		
Current Assets:		
Cash & Cash Equivalents (Note A)	$408,641	$526,961
Contributions Receivable (Note A)	164,583	117,318
Prepaid Expenses & Deposits	58,819	36,131
Total Current Assets	632,043	680,410
Property & Equipment:		
Property	942,204	0
Furniture & Fixtures	54,086	31,091
Office Equipment	116,830	94,227
Software	193,295	174,136
Leasehold Improvements	35,498	35,498
Subtotal	1,341,913	334,952
Less: Accumulated Depreciation & Amortization	(339,936)	(329,401)
Net Property & Equipment	1,001,977	5,551
Other Assets		
Long-Term Investments	1,050,170	1,996,807
Long-Term Contributions Receivable	58,000	0
Total Assets	**$2,742,191**	**$2,682,768**
LIABILITIES:		
Accounts Payable & Other Accrued Expenses	$63,965	$54,441
Total Liabilities	**63,965**	**54,441**
NET ASSETS:		
Unrestricted	1,822,260	820,600
Permanently Restricted (Note C)	219,566	228,105
Temporarily Restricted (Note C)	636,401	1,579,622
Total Net Assets	**2,678,226**	**2,628,327**
Total Liabilities and Net Assets	**$2,742,191**	**$2,682,768**

PIONEER INSTITUTE, INC.
Statement of Activities
As of September 30, 2013 and 2012

	2013	2012
CHANGE in UNRESTRICTED NET ASSETS:		
Revenues and Gains:		
Contributions	$1,037,701	$1,020,603
Sales of Publications, Tickets, etc.	24,146	28,602
Total Unrestricted Revenues & Gains	1,061,846	1,049,205
Net Assets Released from Restrictions: (Note C)		
Satisfaction of Program Restrictions	1,582,021	478,237
Total Unrestricted Revenues, Gains & Assets Released from Restriction	**2,643,868**	**1,527,442**
Expenses:		
Management & General Operations	153,447	150,236
Fund Raising	268,082	263,776
Outreach & Public Communications	44,807	54,940
Major Research & Program Categories:		
Lovett C. Peters Memorial Fund	16,658	6,829
Center for School Reform	516,658	433,432
Center for Economic Opportunity	24,010	54,249
Healthcare Initiative	155,775	238,215
Shamie Center for Better Government	371,864	300,652
Middle Cities Initiative	22,918	28,942
Lovett C. Peters Lecture Series	48,435	84,972
Total Expenses	**1,622,656**	**1,616,242**
Interest Income	437	758
Dividend Income	15,363	20,595
Realized gains on Long-term Investments	(1,326)	12,205
Unrealized Gain on Long Term Investments	(34,028)	37,722
Subtotal	**(19,553)**	**71,280**
Increase/(Decrease) in Unrestricted Net Assets	**1,001,659**	**(17,520)**
CHANGE in PERMANENT & TEMPORARILY RESTRICTED NET ASSETS:		
Contributions - Permanent Restriction (Note A, B)	2,500	2,000
Contributions - Temporary Restriction (Note A, B)	630,780	1,064,257
Interest Income	42	1,468
Dividend Income	6,407	5,637
Realized Gain (Loss) on Long Term Investments	(816)	2,839
Unrealized Gain on Long Term Investments	(8,651)	7,638
Net Assets Released from Restrictions (Note C)	(1,582,021)	(478,237)
Inc./(Dec.) in Permanent & Temporarily Restricted Net Assets	**(951,760)**	**605,601**
INCREASE/(DECREASE) IN NET ASSETS:	49,899	588,081
NET ASSETS: **Beginning of Year**	**2,628,327**	**2,040,246**
NET ASSETS: **End of Year**	**$2,678,226**	**$2,628,327**

PIONEER INSTITUTE, INC.
Statement of Cash Flows
As of September 30, 2013 and 2012

	2013	2012
CASH FLOWS from OPERATING ACTIVITIES:		
Change in Net Assets	$49,899	$588,081
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation & Amortization	10,534	8,707
Decrease/(Increase) in Contributions Receivable	(105,266)	70,782
Decrease/(Increase) in Prepaid Expenses & Deposits	(22,688)	(11,884)
Increase/(Decrease) in Accounts Payable & Accrued Expenses	9,524	(1,707)
Unrealized Losses/(Gains) on Long Term Investments	42,678	(45,358)
Net Cash Provided by Operating Activities	**(15,319)**	**608,621**
CASH FLOWS from INVESTING ACTIVITIES:		
(Purchase) / Disposals of Property & Equipment	(1,006,961)	(2,320)
(Purchase & Income Reinvestments) / Sales of Long-Term Investments	903,960	(733,717)
Net Cash Used by Investing Activities	**(103,001)**	**(736,037)**
CASH FLOWS from FINANCING ACTIVITIES:		
Net Cash Used by Financing Activities	**0**	**0**
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS:	**(118,320)**	**(127,416)**
CASH & EQUIVALENTS: **Beginning of Year**	**526,961**	**654,377**
CASH & EQUIVALENTS: **End of Year**	**$408,641**	**$526,961**

NOTE A - DESCRIPTION OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION:
PIONEER INSTITUTE, INC. (PIONEER) is a public policy research organization, which specializes in the support, distribution, and promotion of scholarly research on Massachusetts' public policy issues. PIONEER 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.

BASIS OF FINANCIAL STATEMENT PRESENTATION:
The financial statements of PIONEER have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting and reporting policies used by PIONEER are subsequently described to enhance the usefulness and understandability of the financial statements.

PIONEER presents information regarding its financial position and activities according to three classes of net assets described as follows:

Unrestricted Net Assets – All resources over which the governing board has discretionary control. The governing board of PIONEER may elect to designate such resources for specific purpose. This designation may be removed at the Board's direction.

Temporarily Restricted Net Assets – Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.

Permanently Restricted Net Assets – Endowment resources accumulated through donations or grants that are subject to donor-imposed stipulations that they be maintained in perpetuity and that the principal be invested by PIONEER. These net assets include the original value of the gift, plus any subsequent additions. Unexpended appreciation on restricted assets is included in restricted net assets unless otherwise instructed by the donor.

PIONEER recognizes contributions as revenue when they are received or unconditionally pledged. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reclassified as unrestricted. Unconditional promises to give, subject to donor imposed restrictions, with due dates scheduled after the balance sheet date are shown as increases in temporarily restricted net assets and shall be reclassified to unrestricted net assets when the related purpose or time restrictions are met. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair market value at the date of the gift.

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. The release of permanently restricted assets amounted to $7,984 and $7,160, in the years ended September 30, 2013 and 2012, respectively.

Contributions receivable represent amounts unconditionally pledged by donors that have not been received by PIONEER. Current contributions receivable were $164,583 and $117,318 as of September 30, 2013 and 2012, respectively. At September 30, 2013, contributions expected to be received subsequent to the next operating cycle were $58,000.

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 of assets and liabilities, and disclosures of contingent assets and liabilities, as of the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates included in the financial statements include the fair value of certain allowances on contributions receivable, the useful lives of depreciable assets, and the allocation of expenses to operations and programs based upon the time allocated to each by PIONEER's employees.

CLASSIFICATION OF NET ASSETS AND REVENUE RECOGNITION:
PIONEER's net assets and activities that increase or decrease net assets are classified as unrestricted, temporarily restricted, or permanently restricted.

CONTRIBUTIONS, GIFTS AND PLEDGES RECEIVABLE:
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Contributions may include actual gifts or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Restricted gifts or promises to give are required to be reported as restricted support in the period received and are then reclassified to unrestricted net assets upon satisfaction of the donor restriction. Restrictions on contributions related to the acquisition of long-lived assets are considered satisfied at the time the asset is acquired.

An allowance for uncollectible contributions receivable would be determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donor's indicate that payment is merely postponed. There was no allowance for uncollectible contributions at September 30, 2013 and 2012.

CONTRIBUTED SERVICES:
PIONEER receives contributed services from its members, principally as volunteer leaders in the governance structure of the organization. The value of this contributed time is not reflected in these financial statements since it is not easily susceptible to objective measurement or valuation.

A portion of PIONEER's annual audit and tax preparation services are provided on a pro-bono basis. The financial statements reflect $17,500 and $15,000 for Certified Public Accounting services provided on a pro-bono basis in each of the years ended September 30, 2013 and 2012.

CASH AND CASH EQUIVALENTS:
PIONEER maintains its cash and cash equivalents in bank deposit accounts. Investments held in money market mutual funds are considered part of long-term investments. Management believes the Institute is not exposed to any significant credit risk on cash and cash equivalents (see Note I).

LONG-TERM INVESTMENTS:
PIONEER reports long-term investments at their fair value. Fair value is determined as per the fair value policies described below.

Interest, dividends and net gains and losses on investments are reported in the statement of activities as increases or decrease in permanently restricted net assets if the terms of the gift require that amounts be applied to principal, as increases or decreases in temporarily restricted net assets if the term of the gift imposed restriction on current use, and increases or decreases in unrestricted net assets in all other cases.

FAIR VALUE MEASUREMENTS: (see Note E)
PIONEER reports investments at fair value on a recurring basis. These standards require an entity to maximize use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, PIONEER reports certain investments using the net asset value per share as determined by investment managers under the Accounting Standards Update No. 2009-12, called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require PIONEER to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value (NAV) practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

> Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments that are generally included in this category include listed equity and debt securities publicly traded on a stock exchange.
>
> Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Level 2 also includes practical expedient investments which notice periods for redemption are 90 days or less.
>
> Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 also includes practical expedient investments with notice periods of more than 90 days.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and such changes could affect the amounts reported in these financial statements.

At this time, PIONEER'S investments are comprised solely of level 1 investments.

PROPERTY AND DEPRECIATION:
Property amounts are recorded at historical cost or, if donated, at the approximate fair value at the date of donation, less accumulated depreciation. Depreciation is computed over the estimated useful lives of the assets using a straight-line basis. PIONEER adopts useful lives of 3-years for office equipment & software and 5-years for furniture and fixtures, while leasehold improvements are amortized over the length of the lease, or the life of the asset, whichever is shorter. Equipment is capitalized if it has a cost of $1,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred.

PIONEER purchased an office condominium located at 185 Devonshire Street in Boston, Massachusetts on December 28, 2012 for $800,000. PIONEER has since undertaken improvements to the space, which have been capitalized as part of the cost of the property. PIONEER has adopted a useful life of 40 years for the office condominium with depreciation to begin in November 2013 concurrent with occupancy.

NON-PROFIT STATUS AND INCOME TAXES:
PIONEER is recognized by the Internal Revenue Service as an organization described under Section 501 (c)(3) of the U.S. Internal Revenue Code and is generally exempt from Federal and state income taxes on related income, while income from any unrelated business may be subject to tax. Donors may deduct contributions made to PIONEER within Internal Revenue Code regulations.

UNCERTAIN TAX POSITIONS:
PIONEER accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. PIONEER has identified its tax status as a tax-exempt entity as its only significant tax position: however, Pioneer has determined that such tax position does not result in an uncertainty requiring recognition. PIONEER is not currently under examination by any taxing jurisdiction. PIONEER's Federal and state tax returns are generally open for examination for three years following the date filed.

NOTE B – PROPERTY & EQUIPMENT

The following comprise PIONEER's investments in property and equipment as of September 30th:

	2013	2012
Property	$942,204	$ -
Furniture & Fixtures	54,087	31,091
Office Equipment	116,830	94,227
Software & Website	193,295	174,136
Leasehold Improvements	35,498	35,498
Subtotal	1,341,913	334,952
Less: Accumulated Depreciation	(339,936)	(329,401)
Net Property & Equipment	**$1,001,977**	**$5,551**

NOTE C - RESTRICTED NET ASSETS

Permanently restricted net assets are available for the following specific programs, at year-end September 30, 2013 and 2012.

	2013	2012
Colby Hewitt Endowment for Health Care	$219,566	$228,105
Total Permanently Restricted	**$219,566**	**$228,105**

Temporarily restricted net assets are available for the following specific programs, at year-end September 30, 2013 and 2012.

	2013	2012
Direct Mail Fund-Raising Campaign	$53,261	$48,525
Pioneer Building Fund	-	282,087
Lovett C. Peters Memorial Fund	303,362	830,000
Center for School Reform	36,232	296,443
Healthcare Initiative	20,000	-
Shamie Center for Better Government	121,046	111,567
Middle Cities Initiative	2,500	11,000
Total Temporarily Restricted	**$636,401**	**$1,579,622**

During years ended September 30, 2013 and 2012, PIONEER facilitated a capital campaign to gain additional contributions to purchase an office condominium and to fund fellowships. Contributions related to these efforts comprise the Lovett C. Peters Memorial Fund. During 2013, PIONEER purchased and substantially completed renovations of an office condominium located at 185 Devonshire Street in Boston, Massachusetts.

NOTE D - 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, 2013 and 2012, the following purpose restrictions were accomplished:

	2013	2012
Direct Mail Fund-Raising Campaign	$27,294	$24,896
Building Fund	282,087	-
Lovett C. Peters Memorial Fund	721,774	6,829
Center for School Reform	322,861	233,608
Healthcare Initiative	42,984	67,720
Shamie Center for Better Government	163,021	132,547
Middle Cities Initiative	8,500	-
Lovett C. Peters Lecture Series	13,500	10,087
Total Restrictions Released	**$1,582,021**	**$478,237**

NOTE E – FAIR VALUE OF INVESTMENTS

PIONEER investments are reported at fair value in the accompanying statements of net assets.

September 30, 2013	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	$645,594	$645,594
Closed-End Funds	71,993	71,993

SFAS 157, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. PIONEER's investments are comprised solely of Level 1 assets.

NOTES F – MUTUAL FUNDS

The fair market values at September 30, 2013 and 2012 are as follows:

Description	2013	2012
Domestic Stock Funds – Intermediate & Small	$ -	$64,702
Domestics Stocks	151,922	-
Corporate & Government Bond Funds	418,475	652,885
Money Market	479,773	1,279,220
Total	$1,050,179	$1,996,807

Investment income from cash equivalents and investments is comprised of the following for the years ended September 30, 2013 and 2012.

Description	2013	2012
Dividend & Interest	$22,250	$28,458
Net Realized Gains (Losses)	(2,093)	15,044
Net Unrealized Gains (Losses)	(42,678)	45,359
Total	($22,521)	$88,861

NOTE G – AGENCY TRANSACTION

PIONEER holds no "pass through" grants as of September 30th, 2013.

NOTE H - OPERATING LEASE COMMITMENTS

PIONEER leases its premises located on the eighth floor at 85 Devonshire Street, Boston, Massachusetts. The base rental payments, excluding utilities, for the remainder of the lease agreement are as follows:

Period	Minimum Lease Payments	Deferred Rent Reduction	Rent Expense
FY2014	$17,306	$(2,635)	$14,671

Subsequent to September 30th, 2013, PIONEER vacated its offices and terminated its lease, while relocating into a purchased office condominium located at 185 Devonshire Street in Boston, Massachusetts.

NOTE I – CONCENTRATION OF CREDIT RISK

PIONEER maintains several bank accounts at two large national financial institutions. The unlimited insurance coverage for noninterest-bearing transaction accounts provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act expired on December 31, 2012. Deposits held in noninterest-bearing transaction account are now aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured up to at least $250,000. At times, PIONEER's aggregate bank balances exceed the available limit of insurance.

NOTE J – RELATED PARTY TRANSACTIONS

PIONEER entered into a contract with a related party in Fiscal 2013 in conjunction with the improvements to the office condominium, but the work was not completed and cost of $10,780 not incurred until the subsequent fiscal year.

PIONEER INSTITUTE, INC.
Supplemental Schedule - Summary of Funding & Expenses by Program
For the Years Ended September 30th, 2013 and 2012

Account Number / Description	FY2013 DISTRIBUTION of FUNDING & EXPENSE by PROGRAM					MAJOR RESEARCH & PROGRAM CATEGORIES								
	Management & General Operations	Fund Raising	Pioneer Building Fund	Lovett C. Peters Memorial Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Healthcare Initiative	Shamie Center for Better Government	Middle Cities Initiative	LCP Lecture Series	Colby Hewitt Endowment	FY2013 Total Funding & Expense	FY2012 Total Funding & Expense
REVENUE:														
UNRESTRICTED DONATIONS:														
4-1010 · Individual Donations	$ 765,443	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 765,443	$ 679,707
4-1020 · Corporate Donations	15,308	-		-	-	-	-	-	-	-	-	-	15,308	22,400
4-1030 · Foundation Donations	239,450	-		-	-	-	-	-	-	-	-	-	239,450	303,496
Total - Unrestricted Donations	**1,020,201**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,020,201**	**1,005,603**
IN-KIND DONATIONS:														
4-1040 · In-Kind Donations	17,500	-	-	-	-	-	-	-	-	-	-	-	17,500	15,000
Total - In-Kind Donations	**17,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17,500**	**15,000**
PERMANENT & TEMPORARILY RESTRICTED DONATIONS:														
4-2010 · Individual Donations	-	6,280		25,100	-	11,000	-	-	13,500	-	13,500		69,380	315,757
4-2020 · Corporate Donations	-	750		-	-	1,500	-	7,500	4,000	-	-	-	13,750	9,200
4-2030 · Foundation Donations	-	25,000		170,000	-	150,150	-	35,000	80,000	-	-	-	460,150	692,300
4-2040 · Event Sponsorship	-	-		-	-	-	-	12,500	75,000	-	-	-	87,500	47,000
Subtotal	**-**	**32,030**	**-**	**195,100**	**-**	**162,650**	**-**	**55,000**	**172,500**	**-**	**13,500**	**-**	**630,780**	**1,064,257**
Endowments:							-							
4-2100 · Endowments	-	-	-	-	-	-	-	-	-	-	-	2,500	2,500	-
4-2110 · Colby Hewitt Endowment	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,500**	**2,500**	**2,000**
Total 4-2000 · Restricted Donations	**-**	**32,030**	**-**	**195,100**	**-**	**162,650**	**-**	**55,000**	**172,500**	**-**	**13,500**	**2,500**	**633,280**	**1,066,257**
OTHER REVENUE:														
4-5000 · Ticket Sales	-	-		-	-	-	-	1,990	18,750	-	-	-	20,740	18,520
4-6000 · Book Sales	-	-		-	-	612	24	570	-	-	-	-	1,206	3,582
4-7000 · Editorial Income	2,000	-		-	-	200	-	-	-	-	-	-	2,200	6,500
Subtotal	**2,000**	**-**	**-**	**-**	**-**	**812**	**24**	**2,560**	**18,750**	**-**	**-**	**-**	**24,146**	**28,602**
Total Income	**1,039,701**	**32,030**	**-**	**195,100**	**-**	**163,462**	**24**	**57,560**	**191,250**	**-**	**13,500**	**2,500**	**1,695,126**	**2,115,462**
OPERATING EXPENSES:														
EMPLOYMENT COSTS:														
6-1100 · Gross Wages	78,432	157,624	-	-	23,299	206,119	15,139	86,630	108,367	16,626	4,611	-	696,847	688,555
6-1150 · Bonus	-	1,500	-	-	-	4,000	-	-	-	-	-	-	5,500	4,000
6-1200 · Federal P/R Taxes-employer	5,513	11,080	-	-	1,638	14,489	1,064	6,090	7,618	1,169	324	-	48,986	48,859
6-1300 · State P/R Taxes	81	163	-	-	24	213	16	90	112	17	5	-	721	697
6-1400 · Health & Dental-employer	5,680	11,416	-	-	1,687	14,928	1,096	6,274	7,848	1,204	334	-	50,467	55,371
6-1500 · 401K-employer share	1,795	3,607	-	-	533	4,717	346	1,982	2,480	380	106	-	15,947	16,390
6-1550 · Pension Plan Charges	128	258	-	-	38	337	25	142	177	27	8	-	1,140	1,794
6-1600 · Workmen's Compensation	120	241	-	-	36	315	23	132	165	25	7	-	1,064	1,273
6-1800 · Payroll Expenses	316	635	-	-	94	830	61	349	436	67	19	-	2,806	2,873
Subtotal	**92,065**	**186,523**	**-**	**-**	**27,349**	**245,948**	**17,771**	**101,689**	**127,204**	**19,516**	**5,412**	**-**	**823,478**	**819,811**
OUTSIDE SERVICES:														
6-2100 · Consultants	992	2,076			295	16,649	191	1,947	109,266	210	2,742	-	134,368	63,749
6-2150 · Consultant Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	500
6-2200 - Temporary Help	-	-	-	-	-	-	-	-	-	-	-	-	-	17,860
6-2400 · Annual Audit	22,500	-		-	-	-	-	-	-	-	-	-	22,500	20,000
Subtotal	**23,492**	**2,076**	**-**	**-**	**295**	**16,649**	**191**	**1,947**	**109,266**	**210**	**2,742**	**-**	**156,868**	**102,109**
RESEARCH:														
6-3160 · Data/FOIA	-	-		-	-	333	-	80	1,256	-	-	-	1,669	295
6-3200 · Contracts	-	-		-	-	88,789	670	10,000	12,254	-	-	-	111,713	190,612
6-3300 · Prizes	-	-		-	-	-	-	-	14,680	-	-	-	14,680	14,000
Subtotal	**-**	**-**	**-**	**-**	**-**	**89,122**	**670**	**10,080**	**28,190**	**-**	**-**	**-**	**128,062**	**204,907**
PRINTING & PUBLISHING:														
6-4100 · Printing Costs	1,421	12,446		-	3,678	427	-	910	3,596	-	966	-	23,443	48,677
6-4300 · Editors/Writers	-	-		-	-	150	-	1,600	150	-	-	-	1,900	6,135
6-4400 · Graphic Design	743	578		28	2,389	7,010	248	2,874	7,031	-	222	-	21,121	17,733
Subtotal	**2,164**	**13,023**	**-**	**28**	**6,067**	**7,586**	**248**	**5,384**	**10,777**	**-**	**1,188**	**-**	**46,464**	**72,545**
DISTRIBUTION COSTS:														
6-5100 · Copying/Reproduction	5	-		-	-	243	-	123	869	-	115	-	1,355	1,601
6-5200 · Postage Costs	1,605	11,463		-	674	108	4	4	614	-	16	-	14,488	13,148

PIONEER INSTITUTE, INC.

Supplemental Schedule - Summary of Funding & Expenses by Program
For the Years Ended September 30th, 2013 and 2012

Account Number / Description	FY2013 DISTRIBUTION of FUNDING & EXPENSE by PROGRAM					MAJOR RESEARCH & PROGRAM CATEGORIES							FY2013 Total Funding & Expense	FY2012 Total Funding & Expense
	Management & General Operations	Fund Raising	Pioneer Building Fund	Lovett C. Peters Memorial Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Healthcare Initiative	Shamie Center for Better Government	Middle Cities Initiative	LCP Lecture Series	Colby Hewitt Endowment		
6-5300 · Shipping/Delivery fees	28	94		-	-	142	-	192	155	-	-	-	612	1,498
6-5400 · Mailing Services	-	1,299		-	2,245	-	-	-	-	-	-	-	3,545	7,270
6-5500 · Advertising Costs	285	620		-	153	8,970	-	-	75	-	-	-	10,103	8,333
Subtotal	**1,923**	**13,477**	**-**	**-**	**3,073**	**9,464**	**4**	**319**	**1,713**	**-**	**131**	**-**	**30,103**	**31,850**
EVENTS & MEETINGS:														
6-6100 · Room Costs	1,370	-		-	-	9,216	800	1,990	991	-	-	-	14,367	12,048
6-6200 · Food & Beverage Costs	8,136	3,862		-	-	18,070	850	10,693	27,404	-	31,781	-	100,795	103,523
6-6250 · Transportation	-	-		-	-	10,046	387	721	540	-	4,123	-	15,816	7,830
6-6300 · Photography	-	-		-	-	-	-	-	450	-	-	-	450	637
6-6500 · Tapings and Transcripts	-	-		-	-	-	-	-	950	-	-	-	950	800
6-6600 · Audio-Visual	300	-		-	-	7,917	-	3,070	5,986	-	1,000	-	18,273	20,013
6-6800 · Honorarium	-	-		-	-	30,250	-	-	25,000	-	-	-	55,250	38,500
6-6950 · Other Event Expenses	-	-		-	-	955	-	40	1,818	-	1,165	-	3,978	8,447
Subtotal	**9,806**	**3,862**	**-**	**-**	**-**	**76,454**	**2,037**	**16,514**	**63,139**	**-**	**38,069**	**-**	**209,880**	**191,799**
STAFF BUSINESS EXPENSES:														
6-7100 · Breakfasts/Luncheons	728	1,813		-	11	249	95	208	1,115	-	-	-	4,219	4,719
6-7200 · Training/Meeting Fees	361	350		-	-	1,700	-	450	1,075	-	-	-	3,936	5,019
6-7300 · Transportation	184	6,861		34	570	18,584	5	238	1,085	-	8	-	27,568	23,809
6-7400 · Meals/Food	677	886		-	70	3,850	84	1,093	789	-	-	-	7,448	5,383
6-7600 · Lodging	-	608		-	543	3,993	-	825	770	-	-	-	6,739	1,934
6-7700 · Miscellaneous/Petty Cash	444	-		-	-	-	-	-	22	-	-	-	466	-
Subtotal	**2,394**	**10,518**	**-**	**34**	**1,194**	**28,376**	**183**	**2,814**	**4,855**	**-**	**8**	**-**	**50,377**	**40,864**
OFFICE OPERATIONS:														
6-8100 · Rent	10,425	20,951			3,097	27,397	2,012	11,515	14,404	2,210	613	-	92,623	91,102
6-8102 · Property taxes	-	-		8,958	-	-	-	-	-	-	-	-	8,958	-
6-8150 · Equip. Supplies	-	-		-	-	-	-	-	-	-	-	-	-	578
6-8175 · Equip. Contracts/Rental	1,484	7,184		-	441	3,899	286	1,639	2,660	315	87	-	17,995	9,818
6-8180 · Equip. Maintenance & Repairs	-	-		-	-	-	-	-	149	-	-	-	149	360
6-8200 · Electric	464	933		-	138	1,221	90	513	642	98	27	-	4,127	3,676
6-8300 · Telephone	209	420		-	62	550	40	231	289	44	12	-	1,859	2,062
6-8500 · Office Supplies	1,309	2,741		1,675	1,122	3,813	253	1,645	2,375	277	77	-	15,287	8,289
6-8600 · Insurance	636	1,278		-	189	1,672	123	703	879	135	37	-	5,651	4,385
6-8750 · Legal Fees	-	-		5,864	-	-	-	-	-	-	-	-	5,864	3,610
6-8800 · Publications/Subscriptions	-	68		-	-	160	-	160	255	-	-	-	643	3,545
6-9925 · Newsclips	-	-		-	918	-	-	-	-	-	-	-	918	2,000
6-8850 · Dues/Memberships	113	226			33	296	22	124	323	24	7	-	1,167	9,625
6-8875 · Licenses and Permits	131	1,604			39	345	25	145	181	28	8	-	2,505	1,550
Subtotal	**14,771**	**35,406**	**-**	**16,497**	**6,039**	**39,352**	**2,851**	**16,675**	**22,157**	**3,131**	**868**	**-**	**157,745**	**140,601**
INTERNET/WEBSITE:														
6-9100 · Internet Access	168	338		100	50	442	32	186	232	36	10	-	1,593	1,264
6-9300 · Programming	24	48		-	684	490	5	26	2,033	5	1	-	3,317	-
6-9400 · Hosting	92	221		-	57	242	18	142	568	20	5	-	1,365	774
Subtotal	**284**	**607**	**-**	**100**	**791**	**1,174**	**55**	**354**	**2,834**	**60**	**17**	**-**	**6,275**	**2,037**
Total Operating Expense	**146,899**	**265,491**	**-**	**16,658**	**44,807**	**514,125**	**24,010**	**155,775**	**370,134**	**22,918**	**48,435**	**-**	**1,609,252**	**1,606,523**
OTHER EXPENSE:														
8-1200 · Bank Service Charges	177	-		-	-	-	-	-	-	-	-	-	177	164
8-1300 · Brokerage Fees	74	-		-	-	-	-	-	-	-	-	49	123	93
8-1600 · Credit Card Processing Fees	-	2,591		-	-	-	-	-	-	-	-	-	2,591	1,694
8-2000 · Depreciation & Amortization Expense	6,269	-		-	-	2,534	-	-	1,731	-	-	-	10,534	8,707
8-4500 · Uncollected Pledges	29	-		-	-	-	-	-	-	-	-	-	29	-
8-5000 · Miscellaneous (Miscellaneous)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,386
Subtotal	**6,549**	**2,591**	**-**	**-**	**-**	**2,534**	**-**	**-**	**1,731**	**-**	**-**	**49**	**13,454**	**12,044**
Total Expense	153,447	268,082	-	16,658	44,807	516,658	24,010	155,775	371,865	22,918	48,435	49	1,622,706	1,618,567
OTHER INCOME:														
7-1000 · Interest Income	437	-		36	-	-	-	-	-	-	-	6	479	2,242
7-2000 · Dividend Income	15,363	-		-	-	-	-	-	-	-	-	6,407	21,770	26,233
7-4000 · Other Capital Gains/(Losses)	(1,326)	-		-	-	-	-	-	-	-	-	(767)	(2,093)	15,044
7-5000 · Increase/(Decrease) in mkt.value	(34,027)	-		-	-	-	-	-	-	-	-	(8,652)	(42,678)	45,358
Subtotal	**(19,552)**	**-**	**-**	**36**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,006)**	**(22,521)**	**88,877**
Net Income/(Loss)	**$ 866,702**	**$ (236,052)**	**$ -**	**$ 178,479**	**$ (44,807)**	**$ (353,196)**	**$ (23,986)**	**$ (98,215)**	**$ (180,615)**	**$ (22,918)**	**$ (34,935)**	**$ (555)**	**$ 49,899**	**$ 585,773**

PIONEER INSTITUTE, INC.
Supplemental Schedule - Summary of Funding & Expenses by Program
For the Years Ended September 30th, 2013 and 2012

Account Number / Description	Management & General Operations	Fund Raising	Pioneer Building Fund	Lovett C. Peters Memorial Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Healthcare Initiative	Shamie Center for Better Government	Middle Cities Initiative	LCP Lecture Series	Colby Hewitt Endowment	FY2013 Total Funding & Expense	FY2012 Total Funding & Expense
	FY2013 DISTRIBUTION of FUNDING & EXPENSE by PROGRAM					MAJOR RESEARCH & PROGRAM CATEGORIES								
CHANGE in RESTRICTED NET ASSETS:														
PERMANENTLY RESTRICTED FUNDS:														
Beginning Balance - Permanently Restricted Funds												**215,746**	**228,105**	**215,746**
Plus: 2013 Permanently Restricted Contributions												2,500	2,500	2,000
Plus/(Minus): Dividends, Interest, ∆ Mkt Vl Perm. Rest. Funds												(3,055)	(3,055)	17,519
Subtotal												**215,191**	**227,550**	**235,265**
Less: 2013 Funds Released From Permanent Restriction												(7,984)	(7,984)	(7,160)
Ending Permanently Restricted Balance												**207,207**	**219,566**	**228,105**
TEMPORARILY RESTRICTED FUNDS:														
Beginning Balance - Temporarily Restricted Funds	**-**	**48,525**	**282,087**	**830,000**	**-**	**296,443**	**-**	**-**	**111,567**	**11,000**	**-**		**1,579,622**	**986,380**
Plus: 2013 Funds Released from Perm. Rstcd. Funds	-	-		-	-	-	-	7,984	-	-	-		7,984	7,160
Plus: 2013 Temporarily Restricted Income	-	32,030	-	195,136	-	162,650	-	55,000	172,500	-	13,500		630,816	1,064,319
Subtotal	**-**	**80,555**	**282,087**	**1,025,136**	**-**	**459,093**	**-**	**62,984**	**284,067**	**11,000**	**13,500**		**2,218,422**	**2,057,859**
Less: Temporarily Restricted Funds Expended	-	(27,294)	(282,087)	(721,775)		(322,861)	-	(42,984)	(163,021)	(8,500)	(13,500)		(1,582,021)	(478,237)
Ending Temporarily Restricted Balance	**$ -**	**$ 53,261**	**$ -**	**$ 303,361**	**$ -**	**$ 136,232**	**$ -**	**$ 20,000**	**$ 121,046**	**$ 2,500**	**$ -**		**$ 636,401**	**$ 1,579,622**