

Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung  
benefit trust or private foundation)

OMB No 1545-0047

**2007****Open to Public  
Inspection**

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2007 calendar year, or tax year beginning **10/1/2006**, and ending **9/30/2007**

**B** Check if applicable:  
☐ Address change  
☐ Name change  
☐ Initial return  
☐ Termination  
☐ Amended return  
☐ Application pending

**C** Name of organization  
**PIONEER INSTITUTE, INC.**  
 Number and street (or P O box if mail is not delivered to street address) Room/suite  
**85 Devonshire Street 8th Floor**  
 City or town State or country ZIP + 4  
**BOSTON MA 02109**

**D** Employer identification number  
**22-2632081**

**E** Telephone number  
**(617) 723-2277**

**F** Accounting method: ☐ Cash ☒ Accrual  
☐ Other (specify) ▶

**G** Website: ▶ **www.pioneerinstitute.org**

**H and I** are not applicable to section 527 organizations

**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No  
**H(b)** If "Yes," enter number of affiliates ▶  
**H(c)** Are all affiliates included? ☐ Yes ☒ No  
 (If "No," attach a list. See instructions.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No  
**I** Group Exemption Number ▶

**J** Organization type (check only one) ▶ ☒ 501(c) ( 3 ) ◀ (insert no ) ☐ 4947(a)(1) or ☐ 527

**K** Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,330,347**

**M** Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds . . . . .	1a	0		
b	Direct public support (not included on line 1a) . . . . .	1b	1,205,600		
c	Indirect public support (not included on line 1a) . . . . .	1c	0		
d	Government contributions (grants) (not included on line 1a) . . . . .	1d	0		
e	Total (add lines 1a through 1d) (cash \$ 1,190,600 noncash \$ 15,000 ) . . . . .	1e	1,205,600		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	0		
3	Membership dues and assessments . . . . .	3	0		
4	Interest on savings and temporary cash investments . . . . .	4	34,457		
5	Dividends and interest from securities . . . . .	5	3,175		
6a	Gross rents . . . . .	6a			
b	Less: rental expenses . . . . .	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a . . . . .	6c	0		
7	Other investment income (describe ▶ ) . . . . .	7	0		
8a	Gross amount from sales of assets other than inventory . . . . .	(A) Securities	0	(B) Other	0
b	Less: cost or other basis and sales expenses . . . . .	8a	0	8b	0
c	Gain or (loss) (attach schedule) . . . . .	8b	0	8c	0
d	Net gain or (loss). Combine line 8c, columns (A) and (B) . . . . .	8d	0		
9	Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>				
a	Gross revenue (not including \$ 0 of contributions reported on line 1b) . . . . .	9a	0		
b	Less: direct expenses other than fundraising expenses . . . . .	9b	0		
c	Net income or (loss) from special events. Subtract line 9b from line 9a . . . . .	9c	0		
10a	Gross sales of inventory, less returns and allowances . . . . .	10a	0		
b	Less: cost of goods sold . . . . .	10b	0		
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a . . . . .	10c	0		
11	Other revenue (from Part VII, line 103) . . . . .	11	87,115		
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 . . . . .	12	1,330,347		
13	Program services (from line 44, column (B)) . . . . .	13	904,464		
14	Management and general (from line 44, column (C)) . . . . .	14	184,573		
15	Fundraising (from line 44, column (D)) . . . . .	15	206,850		
16	Payments to affiliates (attach schedule) . . . . .	16	0		
17	Total expenses. Add lines 16 and 44, column (A) . . . . .	17	1,295,887		
18	Excess or (deficit) for the year. Subtract line 17 from line 12 . . . . .	18	34,460		
19	Net assets or fund balances at beginning of year (from line 73, column (A)) . . . . .	19	1,341,191		
20	Other changes in net assets or fund balances (attach explanation) . . . . .	20	0		
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20 . . . . .	21	1,375,651		

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2007) **2**

(HTA)

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**Part II** **Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22 a</b>	Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22a</b> 0	0		
<b>22 b</b>	Other grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22b</b> 0	0		
<b>23</b>	Specific assistance to individuals (attach schedule)	<b>23</b> 0	0		
<b>24</b>	Benefits paid to or for members (attach schedule)	<b>24</b>	0		
<b>25 a</b>	Compensation of current officers, directors, key employees, etc. listed in Part V-A	<b>25a</b> 335,160	214,137	70,949	50,074
<b>b</b>	Compensation of former officers, directors, key employees, etc. listed in Part V-B	<b>25b</b>	0		0
<b>c</b>	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	<b>25c</b> 0	0	0	0
<b>26</b>	Salaries and wages of employees not included on lines 25a, b, and c	<b>26</b> 184,880	111,579	22,920	50,381
<b>27</b>	Pension plan contributions not included on lines 25a, b, and c	<b>27</b> 912	571	165	176
<b>28</b>	Employee benefits not included on lines 25a – 27	<b>28</b> 71,623	44,860	12,928	13,835
<b>29</b>	Payroll taxes	<b>29</b> 38,236	23,948	6,902	7,386
<b>30</b>	Professional fundraising fees	<b>30</b> 0			
<b>31</b>	Accounting fees	<b>31</b> 31,551	7,235	22,085	2,231
<b>32</b>	Legal fees	<b>32</b> 4,816	3,017	869	930
<b>33</b>	Supplies	<b>33</b> 11,917	7,464	2,151	2,302
<b>34</b>	Telephone	<b>34</b> 5,798	3,631	1,047	1,120
<b>35</b>	Postage and shipping	<b>35</b> 14,095	8,568	2,459	3,068
<b>36</b>	Occupancy	<b>36</b> 71,952	45,066	12,987	13,899
<b>37</b>	Equipment rental and maintenance	<b>37</b> 14,817	9,280	2,674	2,863
<b>38</b>	Printing and publications	<b>38</b> 94,872	92,296	2,182	394
<b>39</b>	Travel	<b>39</b> 6,765	4,718	528	1,519
<b>40</b>	Conferences, conventions, and meetings	<b>40</b> 135,596	126,678	8,514	404
<b>41</b>	Interest	<b>41</b> 1,557	283	740	534
<b>42</b>	Depreciation, depletion, etc. (attach schedule)	<b>42</b> 37,562	23,526	6,780	7,256
<b>43</b>	Other expenses not covered above (itemize):				
<b>a</b>	See attached statement	<b>43a</b> 233,778	177,607	7,693	48,478
<b>b</b>		<b>43b</b> 0	0	0	0
<b>c</b>		<b>43c</b> 0	0	0	0
<b>d</b>		<b>43d</b> 0	0	0	0
<b>e</b>		<b>43e</b> 0	0	0	0
<b>f</b>		<b>43f</b> 0	0	0	0
<b>g</b>		<b>43g</b> 0	0	0	0
<b>44</b>	<b>Total functional expenses.</b> Add lines 22a through 43g. (Organizations completing columns (B)–(D), carry these totals to lines 13–15).	<b>44</b> 1,295,887	904,464	184,573	206,850

**Joint Costs.** Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☐ NoIf "Yes," enter (i) the aggregate amount of these joint costs \$ 0; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>Education &amp; Public Information</u>	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
<p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p> <p><b>a</b> <u>Better Government Competition/Center for Restructuring Government</u></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$ <u>0</u> ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	295,688
<p><b>b</b> <u>The Center for Urban Entrepreneurship, Communication, and LCP Lecture Series programs, continued their public outreach programs. Additionally, guest speakers on relevant state policy issue lead discussions in a forum style setting.</u></p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$ <u>0</u> ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	286,880
<p><b>c</b> <u>Education/Center for School Reform seeks more school choices for parents and an accountable system of public education for all students. The Center's work builds on Pioneer's legacy as a leader in the Charter Public School movement and champion of greater academic rigor in Massachusetts schools. Current initiatives promote choice and competition, school based management and math and science education.</u></p> <p>.....</p> <p>(Grants and allocations \$ <u>0</u> ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	186,001
<p><b>d</b> <u>Other Research Programs (Healthcare, Housing, Other Environmental) and Colby Hewitt Endowment</u></p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$ <u>0</u> ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	135,896
<p><b>e</b> <u>Other program services (attach schedule)</u></p> <p>(Grants and allocations \$ <u>0</u> ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	0
<b>f</b> <u>Total of Program Service Expenses (should equal line 44, column (B), Program services)</u> . . . . . ►	<b>904,465</b>

**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
<b>Assets</b>	<b>45</b> Cash—non-interest-bearing . . . . .		<b>45</b>
	<b>46</b> Savings and temporary cash investments . . . . .	861,027	<b>46</b> 836,599
	<b>47 a</b> Accounts receivable . . . . . <b>47a</b> 17,315		
	<b>b</b> Less: allowance for doubtful accounts . . . . . <b>47b</b> 0	10,508	<b>47c</b> 17,315
	<b>48 a</b> Pledges receivable . . . . . <b>48a</b> 35,518		
	<b>b</b> Less: allowance for doubtful accounts . . . . . <b>48b</b> 0	0	<b>48c</b> 35,518
	<b>49</b> Grants receivable . . . . .		<b>49</b>
	<b>50 a</b> Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .	0	<b>50a</b> 0
	<b>b</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) . . . . .		<b>50b</b>
	<b>51 a</b> Other notes and loans receivable (attach schedule) . . . . . <b>51a</b> 0		
	<b>b</b> Less: allowance for doubtful accounts . . . . . <b>51b</b> 0	0	<b>51c</b> 0
	<b>52</b> Inventories for sale or use . . . . .		<b>52</b>
	<b>53</b> Prepaid expenses and deferred charges . . . . .	35,188	<b>53</b> 32,375
	<b>54 a</b> Investments—publicly-traded securities. . . . . <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	424,499	<b>54a</b> 489,605
	<b>b</b> Investments—other securities (attach schedule). . . . . <input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	<b>54b</b> 0
	<b>55 a</b> Investments—land, buildings, and equipment: basis . . . . . <b>55a</b> 279,024		
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . . <b>55b</b> 271,348	44,098	<b>55c</b> 7,676
	<b>56</b> Investments—other (attach schedule) . . . . .	0	<b>56</b> 0
	<b>57 a</b> Land, buildings, and equipment: basis . . . . . <b>57a</b> 0		
<b>b</b> Less: accumulated depreciation (attach schedule) . . . . . <b>57b</b> 0	0	<b>57c</b> 0	
<b>58</b> Other assets, including program-related investments (describe <input checked="" type="checkbox"/> Dividends Receivable . . . . . )	0	<b>58</b> 0	
<b>59</b> <b>Total assets</b> (must equal line 74). Add lines 45 through 58 . . . . .	1,375,320	<b>59</b> 1,419,088	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses . . . . .	34,129	<b>60</b> 43,440
	<b>61</b> Grants payable . . . . .		<b>61</b>
	<b>62</b> Deferred revenue . . . . .		<b>62</b>
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .	0	<b>63</b> 0
	<b>64 a</b> Tax-exempt bond liabilities (attach schedule) . . . . .	0	<b>64a</b> 0
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .	0	<b>64b</b> 0
	<b>65</b> Other liabilities (describe <input type="checkbox"/> . . . . . )	0	<b>65</b> 0
	<b>66</b> <b>Total liabilities.</b> Add lines 60 through 65 . . . . .	34,129	<b>66</b> 43,440
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>		
	<b>67</b> Unrestricted . . . . .	1,195,324	<b>67</b> 1,147,060
	<b>68</b> Temporarily restricted . . . . .	55,133	<b>68</b> 61,166
	<b>69</b> Permanently restricted . . . . .	90,734	<b>69</b> 167,422
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.</b>		
	<b>70</b> Capital stock, trust principal, or current funds . . . . .		<b>70</b>
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .		<b>71</b>
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>72</b>
	<b>73</b> <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) . . . . .	1,341,191	<b>73</b> 1,375,648
<b>74</b> <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73. . . . .	1,375,320	<b>74</b> 1,419,088	

**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements		<b>a</b>	1,247,625
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12:			
1	Net unrealized gains on investments	<b>b1</b>		
2	Donated services and use of facilities	<b>b2</b>		
3	Recoveries of prior year grants	<b>b3</b>		
4	Other (specify):	<b>b4</b>	0	
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	0
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	1,247,625
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :			
1	Investment expenses not included on Part I, line 6b	<b>d1</b>		
2	Other (specify):	<b>d2</b>	0	
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	0
<b>e</b>	<b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b>		<b>e</b>	1,247,625

**Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	1,295,889
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:			
1	Donated services and use of facilities	<b>b1</b>		
2	Prior year adjustments reported on Part I, line 20	<b>b2</b>		
3	Losses reported on Part I, line 20	<b>b3</b>		
4	Other (specify):	<b>b4</b>	0	
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	0
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	1,295,889
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :			
1	Investment expenses not included on Part I, line 6b	<b>d1</b>		
2	Other (specify):	<b>d2</b>	0	
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	0
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b>		<b>e</b>	1,295,889

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name Lovett C. Peters Str 85 Devonshire Street City Boston ST MA ZIP 02109	Title Founding Chairm Hr/WK	0	0	0
Name James Stergios Str 85 Devonshire Street City Boston ST MA ZIP 02109	Title Executive Directo Hr/WK 40	118,302	11,536	0
Name Peter Begley Str 85 Devonshire Street City Boston ST MA ZIP 02109	Title Director of Opera Hr/WK 32	59,569	13,540	0
Name Steve Poftak Str 85 Devonshire Street City Boston ST MA ZIP 02109	Title Director of Rese Hr/WK 40	87,289	8,324	0
Name Jamie Gass Str 85 Devonshire Street City Boston ST MA ZIP 02109	Title Director of Educa Hr/WK 40	70,000	8,740	0
Name Morris Gray Str 85 Devonshire Street City Boston ST MA ZIP 02109	Title Treasurer Hr/WK	0	0	0
Name see Attached List Str City ST ZIP	Title Hr/WK	0	0	0
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			

**Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)**

	Yes	No
<b>75 a</b> Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings . . . . . <span style="float: right;">26</span>		
<b>b</b> Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) . . . . .	<b>75b</b>	X
<b>c</b> Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." . . . . . If "Yes," attach a statement that includes the information described in the instructions.	<b>75c</b>	X
<b>d</b> Does the organization have a written conflict of interest policy? . . . . .	<b>75d</b>	X

**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				

**Part VI Other Information (See the instructions.)**

	Yes	No
<b>76</b> Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change . . . . .	<b>76</b>	X
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . If "Yes," attach a conformed copy of the changes.	<b>77</b>	X
<b>78 a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	<b>78a</b>	X
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	<b>78b</b>	N/A
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	<b>79</b>	X
<b>80 a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	<b>80a</b>	X
<b>b</b> If "Yes," enter the name of the organization <span style="float: right;">▶</span> _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81 a</b> Enter direct and indirect political expenditures. (See line 81 instructions.) . . . . . <b>81a</b> _____		
<b>b</b> Did the organization file <b>Form 1120-POL</b> for this year? . . . . .	<b>81b</b>	X

**Part VI Other Information (continued)**

		Yes	No
<b>82 a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
<b>b</b>	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	<b>82b</b> 15,000		
<b>83 a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
<b>84 a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
<b>85</b>	<b>501(c)(4), (5), or (6).</b> Were substantially all dues nondeductible by members?		
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
<b>c</b>	Dues, assessments, and similar amounts from members		
<b>d</b>	Section 162(e) lobbying and political expenditures		
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
<b>86</b>	<b>501(c)(7) orgs.</b> Enter: a Initiation fees and capital contributions included on line 12		
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities		
<b>87</b>	<b>501(c)(12) orgs.</b> Enter: a Gross income from members or shareholders		
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>88 a</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
<b>b</b>	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
<b>89 a</b>	<b>501(c)(3) organizations.</b> Enter: Amount of tax imposed on the organization during the year under: section 4911 ; section 4912 ; section 4955		
<b>b</b>	<b>501(c)(3) and 501(c)(4) orgs.</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
<b>c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
<b>e</b>	<b>All organizations.</b> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
<b>f</b>	<b>All organizations.</b> Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
<b>g</b>	<b>For supporting organizations and sponsoring organizations maintaining donor advised funds</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
<b>90 a</b>	List the states with which a copy of this return is filed MA		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)		8
<b>91 a</b>	The books are in care of Name Mr. Peter Begley Telephone no. (617) 723-2277 Located at 85 Devonshire Street City Boston ST MA ZIP + 4 02109		
<b>b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

**Part VI Other Information** (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** ☐ ☒

If "Yes," enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of **Form 1041**—Check here ☐  
and enter the amount of tax-exempt interest received or accrued during the tax year **92** | N/A**Part VII Analysis of Income-Producing Activities** (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	34,457	
96 Dividends and interest from securities			14	3,175	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Sales of Publications, Tick				25,229	
b Miscellaneous				61,886	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		124,747	0
105 Total (add line 104, columns (B), (D), and (E))					124,747

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See the instructions.)

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

N/A

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%		0	0
	%		0	0
	%		0	0
	%		0	0

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).



**Part XI**

**Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				0

**107** Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				0

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

**Please  
Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

JAMES STERGOS, EXECUTIVE DIRECTOR

Type or print name and title

**Paid  
Preparer's  
Use Only**

Preparer's  
signature

Date

Check if  
self-  
employed

Preparer's SSN or PTIN (See Gen. Inst. X)

Firm's name (or yours  
if self-employed),  
address, and ZIP + 4

EIN

Phone no.

**SCHEDULE A**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),  
or 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information—(See separate instructions.)**▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

**2007**

Name of the organization

PIONEER INSTITUTE, INC.

Employer identification number

22-2632081

**Part I****Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances

Total number of other employees paid over \$50,000 ▶ 0

**Part II-A****Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Glenn Ricciardelli, PC, 105 Beach Street; Suite 3 Boston, MA 02111 USA	Financial Statement Audit, Tax Return	5,000
David Spielvogel, 85 Devonshire Street Boston, MA 02109	Bookkeeper	11,551
Ross, Silverman & Levy LLP, 59 Temple Street; Suite 605 Boston, MA 02111	Legal Services - Immigration	4,376

Total number of others receiving over \$50,000 for professional services ▶ 0

**Part II-B****Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Roger A. Perry, Jr., 85 Devonshire Street Boston, MA 02109	Consultant	38,519
Shawn Littlehale, 140 River Street Norwell, MA 02061 USA	Research	29,811
Alan Petrillo, 342 Gray Street Arlington, MA 02476 USA	Editors/Writers	27,797
Charles Chieppo, 85 Devonshire Street Boston, MA 02109 USA	Editors/Writers	19,994
William Howell, 85 Devonshire Street Boston, MA 02109 USA	Research	10,000

Total number of other contractors receiving over \$50,000 for other services ▶ 0

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2007

(HTA)

**Part III** Statements About Activities (See page 2 of the instructions.)

Yes No

<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B).	1		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)			
<b>a</b> Sale, exchange, or leasing of property?	2a		X
<b>b</b> Lending of money or other extension of credit?	2b		X
<b>c</b> Furnishing of goods, services, or facilities?	2c		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X	
<b>e</b> Transfer of any part of its income or assets?	2e		X
<b>3 a</b> Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		X
<b>b</b> Did the organization have a section 403(b) annuity plan for its employees?	3b		X
<b>c</b> Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement.	3c		X
<b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
<b>4 a</b> Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
<b>b</b> Did the organization make any taxable distributions under section 4966?	4b		X
<b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person?	4c		X
<b>d</b> Enter the total number of donor advised funds owned at the end of the tax year			
<b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year			
<b>f</b> Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts			
<b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year			

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ☐ City ☐ ST ☐ Country
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11 b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
- ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

**Provide the following information about the supported organizations.** (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
					0
					0
					0
					0
					0
					0
<b>Total</b>					0

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.****Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,161,242	1,381,441	646,526	1,229,871	4,419,080
<b>16</b> Membership fees received					0
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	21,606	16,107	14,022	17,504	69,239
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	61,311	12,613	8,010	1,180	83,114
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
<b>23</b> Total of lines 15 through 22	1,244,159	1,410,161	668,558	1,248,555	4,571,433
<b>24</b> Line 23 minus line 17	1,222,553	1,394,054	654,536	1,231,051	4,502,194
<b>25</b> Enter 1% of line 23	12,442	14,102	6,686	12,486	
<b>26 Organizations described on lines 10 or 11:</b>	a Enter 2% of amount in column (e), line 24				<b>26a</b> 90,044
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					<b>26b</b>
c Total support for section 509(a)(1) test Enter line 24, column (e)					<b>26c</b> 4,502,194
d Add. Amounts from column (e) for lines: 18 83,114 19 22 26b					<b>26d</b> 83,114
e Public support (line 26c minus line 26d total)					<b>26e</b> 4,419,080
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b> 98.15%
<b>27 Organizations described on line 12:</b>					
a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:					
(2006)	(2005)	(2004)	(2003)		
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:					
(2006)	(2005)	(2004)	(2003)		
c Add: Amounts from column (e) for lines: 15 16 17 20 21					<b>27c</b> 0
d Add: Line 27a total and line 27b total					<b>27d</b> 0
e Public support (line 27c total minus line 27d total)					<b>27e</b> 0
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					<b>27f</b>
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b> 0.00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b> 0.00%
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

**Part V Private School Questionnaire** (See page 9 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .	<b>29</b>	
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .	<b>30</b>	
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? . . . . . If "Yes," please describe; if "No," please explain (If you need more space, attach a separate statement ) ..... ..... .....	<b>31</b>	
<b>32</b> Does the organization maintain the following		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	<b>32a</b>	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	<b>32b</b>	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	<b>32c</b>	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	<b>32d</b>	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement ) ..... .....		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges? . . . . .	<b>33a</b>	
<b>b</b> Admissions policies? . . . . .	<b>33b</b>	
<b>c</b> Employment of faculty or administrative staff? . . . . .	<b>33c</b>	
<b>d</b> Scholarships or other financial assistance? . . . . .	<b>33d</b>	
<b>e</b> Educational policies? . . . . .	<b>33e</b>	
<b>f</b> Use of facilities? . . . . .	<b>33f</b>	
<b>g</b> Athletic programs? . . . . .	<b>33g</b>	
<b>h</b> Other extracurricular activities? . . . . .	<b>33h</b>	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... ..... .....		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	<b>34a</b>	
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? . . . . . If you answered "Yes" to either 34a or b, please explain using an attached statement.	<b>34b</b>	
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation . . . . .	<b>35</b>	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

 Check **a** ☐ if the organization belongs to an affiliated group. Check **b** ☐ if you checked "a" and "limited control" provisions apply.

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred )

		(a) Affiliated group totals	(b) To be completed for all electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>	0	0
<b>39</b> Other exempt purpose expenditures . . . . .	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>	0	0
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table— If the amount on line 40 is—                      The lobbying nontaxable amount is— Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . . Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 . . . . . \$1,000,000 . . . . .	<b>41</b>		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) . . . . .	<b>42</b>	0	0
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 . . . . .	<b>43</b>	0	0
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 . . . . .	<b>44</b>	0	0

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
 See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ►	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					0
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					0
<b>47</b> Total lobbying expenditures . . . . .					0
<b>48</b> Grassroots nontaxable amount . . . . .					0
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) . . . . .					0
<b>50</b> Grassroots lobbying expenditures . . . . .					0

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
<b>a</b> Volunteers . . . . .		X	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .		X	
<b>c</b> Media advertisements . . . . .		X	
<b>d</b> Mailings to members, legislators, or the public . . . . .		X	
<b>e</b> Publications, or published or broadcast statements . . . . .		X	
<b>f</b> Grants to other organizations for lobbying purposes . . . . .		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .		X	
<b>i</b> Total lobbying expenditures (Add lines c through h.) . . . . .			0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities





## 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>
	<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>
	<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>
	\$61,500	\$121,195
	18,000	0
	0	0
	67,170	34,529
	23,983	22,630
	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.

**Line 1 (990) - Public Support and Contributions**

	Cash	Non Cash
<b>Line 1a</b> - Contributions to Donor Advised Funds . . . . .		
<b>Line 1b</b> - Direct public support		
1 Contributions . . . . .	1,190,600	1
2 Membership dues and assessments (contributions from the public) . . . . .		2
3 Commercial co-venture . . . . .		3
4 Special events contributions (Line 9 - Special Events) . . . . .	0	4
5 In-Kind Donation		5 15,000
6		6
7		7
8		8
9		9
10 Total . . . . .	1,190,600	10 15,000
<b>Line 1c</b> - Indirect public support . . . . .		
<b>Line 1d</b> - Government contributions (grants) . . . . .		

**Part II, Line 43 (990) - Other Expenses**

233,778

177,607

7,693

48,478

Description		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
1	Consultants & Temporary Help	126,897	79,178	3,642	44,077
2	Office Operations	3,004	1,882	542	580
3	Other Expenses	0			
4	Program Research, Contracts, Prizes	84,630	84,517		113
5	Insurance	4,689	2,937	846	906
6	Dues/Subscriptions/Memberships	7,044	4,411	1,273	1,360
7	Internet/Website	7,468	4,677	1,349	1,442
8	Other (Gain)/Loss	46	5	41	
9		0			
10		0			
11		0			
12		0			
13		0			
14		0			
15		0			
16		0			
17		0			
18		0			
19		0			
20		0			

Part IV, Line 47 (990) - Accounts Receivable

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1 Other Receivables	1	11,882	17,315		
2 Write-off AR	2	-1,374			
3	3				
4	4				
5	5				
6	6				
7	7				
8	8				
9	9				
10	10				
11 Total accounts receivable	11	10,508	17,315	0	0

Part IV, Line 48 (990) - Pledges Receivable

		Pledges receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1 Contributions Receivable	1		35,518		
2	2				
3	3				
4	4				
5	5				
6	6				
7	7				
8	8				
9	9				
10	10				
11 Total pledges receivable	11	0	35,518	0	0

**Part IV, Line 54a (990) - Investments - Publicly-Traded Securities**

Check one box below to indicate how securities are reported:

☐ Cost☒ End of year market value (FMV)

				0	424,499	489,605
Securities at end of year		Number of shares/ face value	Value at time of donation	Beginning balance book value FMV	Ending balance book value FMV	
1	Shelby Cullom Davis, Fund A			424,499	489,605	
2				0	0	
3				0	0	
4				0	0	
5				0	0	
6				0	0	
7				0	0	
8				0	0	
9				0	0	
10				0	0	
11				0	0	
12				0	0	
13				0	0	
14				0	0	
15				0	0	
16				0	0	
17				0	0	
18				0	0	
19				0	0	
20				0	0	

**Part IV, Line 55 (990) - Investments - Land, Buildings, and Equipment**

		279,024	233,787	271,348	44,098	7,676
Category or Item		Cost/Other Basis	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Beginning Balance	Ending Balance
1	Furniture & Fixtures	31,091	27,711	29,346	3,381	1,745
2	Office Equipment	74,174	56,573	73,468	17,601	706
3	Software	138,261	116,904	134,101	20,217	4,160
4	Leasehold Improvements	35,498	32,599	34,433	2,899	1,065
5						0
6						0
7						0
8						0
9						0
10						0
11						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0

**Part VII, Line 103 (990) - Other Revenue**

		Unrelated business income		Excluded by section 512, 513, or 514		
		(A)	(B)	(C)	(D)	(E)
Other Revenue Description		Business code	Amount	Exclusion code	Amount	Related or exempt function income
a	Sales of Publications, Tickets, Etc.				25,229	
b	Miscellaneous				61,886	
c						
d						
e						
f						
g						
h						
i						
j						
k						
l						
m						
n						
o						
p						
q						
r						
s						
t						
u						
v						
w						
x						
y						
z						

PIONEER INSTITUTE, INC.  
Tax ID # 22-2632081  
Form 990 Section V-A

Name	Title	Address	Hours of Work	Compensation	Contributions to Employee Benefits	Expense Account or Other Allowances	Note
William Tyler	Chairman	160 Federal Street, Boston, MA 02110	N/A	\$0	\$0	\$0	
Diane Schmalensee	Vice Chair	172 Beacon Street, Suite 4, Boston, MA 02116	N/A	\$0	\$0	\$0	
Nancy Anthony	Board of Directors Member	88 Broad Street, 2nd Floor, Boston, MA 02110	N/A	\$0	\$0	\$0	
Michael Ervolini	Board of Directors Member	11 Beacon Street, Suite 1005, Boston, MA 02108	N/A	\$0	\$0	\$0	
John Fifield	Board of Directors Member	43 Chestnut Street, Salem, MA 01970	N/A	\$0	\$0	\$0	
Joseph Giglio	Board of Directors Member	780 Boylston Street #26H, Boston, MA 02199	N/A	\$0	\$0	\$0	
Annette Hanson	Board of Directors Member	8 Shornecliffe Road, Newton, MA 02458	N/A	\$0	\$0	\$0	
Kerry Healey	Board of Directors Member	10 Curtis Point, Beverly, MA 01915	N/A	\$0	\$0	\$0	
Charles C. Hewitt, III	Board of Directors Member	726 High Street, Dedham, MA 02026	N/A	\$0	\$0	\$0	
Ellen Herzfelder	Board of Directors Member	133 Beach Street, Cohasset, MA 02025	N/A	\$0	\$0	\$0	
Fred Hochberg	Board of Directors Member	18 Clovelly Rd, Chestnut Hill, MA 02467	N/A	\$0	\$0	\$0	
Alfred Houston	Board of Directors Member	19 Tanglewood Road, Wellesley Hills, MA 02481	N/A	\$0	\$0	\$0	
Bruce Johnstone	Board of Directors Member	827 Charles River Street, Needham, MA 02492	N/A	\$0	\$0	\$0	
Alan Morse	Board of Directors Member	160 Aspinwall Ave., Unit 1, Brookline, Ma 02446	N/A	\$0	\$0	\$0	
Thomas Pyle	Board of Directors Member	85 Devonshire Street, 8th Floor, Boston, MA 02109	N/A	\$0	\$0	\$0	deceased
John Reed	Board of Directors Member	10 Tekoa Terrace, Westfield, MA 01085	N/A	\$0	\$0	\$0	
Mark Rickabaugh	Board of Directors Member	One Post Office Square, 35th Floor, Boston, MA 02109	N/A	\$0	\$0	\$0	
Edward Stahl	Board of Directors Member	12 Brooks Hill Road, Lincoln, MA 01773	N/A	\$0	\$0	\$0	resigned
Alan Stearns, Jr	Board of Directors Member	993 Memorial Drive, Unit 203, Cambridge, MA 02138	N/A	\$0	\$0	\$0	
Walter G. Van Dorn	Board of Directors Member	One Lincoln Street, Boston, Massachusetts 02111	N/A	\$0	\$0	\$0	
R. Kingman Webster	Board of Directors Member	34 Bobby Jones Drive, Andover, MA 01810	N/A	\$0	\$0	\$0	resigned



Donor	Gift Amount	Gift Date	Notes/Comments	Address 1	Address 2	City	State	ZIP
David Koch	\$125,000.00	08/20/07		667 Madison Avenue	22nd Floor	New York	New York	10021
Lovett Peters	\$75,000.00	12/18/06		81 Old Orchard Rd		Chestnut Hill	Massachusetts	02467
Shelby Cullom Davis Foundation	\$50,000.00	11/30/06		3 Bethesda Metro Center	Suite 118	Bethesda	Maryland	20814
William Edgerly	\$50,000.00	09/20/07		124 Mount Auburn St	Suite 28	Cambridge	Massachusetts	02138
Lovett Peters	\$50,000.00	12/18/06		81 Old Orchard Rd		Chestnut Hill	Massachusetts	02467
Mark Rickabaugh	\$40,000.00	08/06/07		One Post Office Square, 38th Floor		Boston	Massachusetts	02109
Flatley Foundation	\$25,000.00	08/10/07		50 Brantree Hill Office park		Brantree	Massachusetts	02184
Kingman Webster	\$25,000.00	08/31/07		34 Bobby Jones Drive		Andover	Massachusetts	01810
Mark Rickabaugh	\$25,000.00	12/29/06		One Post Office Square, 38th Floor		Boston	Massachusetts	02109
Nancy Myers Coolidge	\$23,500.00	04/30/07		64 Chestnut Street		Boston	Massachusetts	02108
Milbank Foundation for Rehabilitation	\$20,000.00	10/30/06		c/o JM Foundation	654 Madison Avenue, Room 1605	New York	New York	10021
Shattuck Charitable Trust	\$20,000.00	08/13/07		c/o Kirkpatrick & Lockhart LLP	75 State St	Boston	Massachusetts	02138
William Edgerly	\$20,000.00	04/30/07		124 Mount Auburn St	Suite 28	Cambridge	Massachusetts	02138
Jacquelin Hume Foundation	\$19,500.00	02/05/07		827 Montgomery St., Suite 2800		San Francisco	California	94111
C Bruce Johnstone	\$17,000.00	04/05/07		81 Old Orchard Rd		Chestnut Hill	Massachusetts	02467
Ruth and Lovett Peters Foundation	\$15,910.60	08/06/07		430 North Michigan Avenue		Chicago	Illinois	60611-4089
The James E. Gibbons Educational Development Trust Fund	\$15,000.00	11/13/06		88 Broad St	2nd Floor	Boston	Massachusetts	02110
Sidney A. Swensrud Foundation	\$15,000.00	09/30/07		10 High Street	Suite 1000	Boston	Massachusetts	02110
Glenn Ricciardelli, PC	\$12,000.00	09/27/07		330 Brookline Ave		Springfield	Massachusetts	01144
Irene E. & George A. Davis Foundation	\$10,527.00	06/22/07		#182 The Village at Duxbury	290 Kings Town Way	Duxbury	Massachusetts	02215
Melvin Clause	\$10,000.00	08/22/07		16 Cole Road		Hingham	Massachusetts	02043
Emmy Lou Hewitt	\$10,000.00	04/30/07		c/o Kirkpatrick & Lockhart	75 State Street	Boston	Massachusetts	02109-1808
K Douglas Briggs	\$10,000.00	11/30/06		c/o Kirkpatrick & Lockhart	75 State Street	Boston	Massachusetts	02109-1808
Alice Willard Dorr Foundation	\$10,000.00	08/12/07		215 Kings Highway		Boston	Massachusetts	02109-1808
Dean Webster	\$10,000.00	03/29/07		Post Office Box 1305	111 North Henry Street	Kennebunkport	Maine	04046
Donors Capital Fund, Inc	\$10,000.00	09/28/07		10 Curtis Point		Alexandria	Virginia	22313
Kerry Murphy Healey	\$10,000.00	10/27/06		34 Proctor St		Beverly	Massachusetts	01915
Polly Townsend	\$10,000.00	11/03/06		One Technology Way	PO Box 9106	Manchester	Massachusetts	01944
Ray Stata	\$10,000.00	12/29/06		234 South Fairview Avenue	PO Box 3167	Norwood	Massachusetts	02062
Roger Milliken	\$10,000.00	07/13/07		60 Massachusetts Avenue		Spaulding	South Carolina	29304
Stephen Roy	\$10,000.00	06/08/07		P.O. Box 30		Boston	Massachusetts	02115
Vermont Community Foundation	\$8,000.00	07/05/07		Fox Hill Village	10 Longwood Drive, Apt 148	Westwood	Massachusetts	02090
Paul Russell	\$7,500.00	09/28/07		MA1-PLS-02-01	19 Pleasant Street	Boston	Massachusetts	02109
Sovereign Bank	\$7,000.00	11/03/06		Fox Hill Village	10 Longwood Drive, Apt 148	Westwood	Massachusetts	02090
Charles Hewitt	\$6,800.00	09/28/07		728 High St		Dedham	Massachusetts	02026
M Dozier Gardner	\$6,016.00	11/03/06		100 Summer Street, 13th Floor		Boston	Massachusetts	02110
C Bruce Johnstone	\$6,000.00	06/18/07		827 Charles River St		Needham	Massachusetts	02492
Frederick O J Muzi Foundation	\$6,000.00	08/11/07		557 Highland Avenue		Needham Heights	Massachusetts	02194
Wesley Eaton	\$5,000.00	05/25/07		304 Brooksby Village Drive	#308	Peabody	Massachusetts	01960
John Field	\$5,000.00	04/04/07		43 Chestnut St	Suite 602	Salem	Massachusetts	01970
Benfield Inc	\$5,000.00	01/04/07		100 Summer Street		Boston	Massachusetts	02110
George Macomber	\$5,000.00	07/23/07		65 East India Row #40B		Boston	Massachusetts	02110
Richard Hunt	\$5,000.00	07/10/07		10 Coolidge Hill Road		Cambridge	Massachusetts	02138-5510
Stuart Clifford	\$5,000.00	12/15/06		120 East Ave	Apt 126	New York	New York	10028
William Gannett	\$5,000.00	02/01/07		144 Freedom Street		Hopedale	Massachusetts	01747
Albert Merck	\$5,000.00	07/10/07		303 Adams St		Milton	Massachusetts	02186
Alfred Houston	\$5,000.00	05/09/07		19 Tanglewood Road		Wellesley Hills	Massachusetts	02481
Annette Hanson	\$5,000.00	09/27/07		31 Milk Street, Suite 202		Boston	Massachusetts	02109
Caleb Loring	\$5,000.00	10/19/06		PO Box 235, 15 Paine Avenue		Prides Crossing	Massachusetts	01965
Frederick G. Thorne	\$5,000.00	12/15/06		7 Tucks Point Road		Manchester	Massachusetts	01944
Home Builders Association of Massachusetts, Inc	\$5,000.00	03/14/07		Pine Brook Office Park		Foxboro	Massachusetts	02035
Polly Townsend	\$5,000.00	05/31/07		34 Proctor St	124 Washington Street, Suite 300	Manchester	Massachusetts	01944
Walter Downey	\$5,000.00	12/29/06		135 Bellevue Street		West Roxbury	Massachusetts	02132
Wesley Eaton	\$5,000.00	12/15/06		304 Brooksby Village Drive		Peabody	Massachusetts	01960
Joseph Giglio	\$5,000.00	03/15/07		313 Hayden Hall	College of Business Administration	Boston	Massachusetts	02115-5000
<b>\$924,753.60</b>								

## DONATED SERVICES - Audit

## **2007 & 2006 Annual Financial Statements**

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

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

Boston, Massachusetts

Years Ended September 30, 2007 and 2006

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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

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>
<b><u>ASSETS:</u></b>		
<b><u>Current Assets:</u></b>		
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>
<b><u>Property &amp; Equipment:</u></b>		
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
<b><u>Long-Term Investments (Note D):</u></b>	<u>489,605</u>	<u>424,499</u>
Total Assets	<u><u>\$1,419,088</u></u>	<u><u>\$1,376,693</u></u>
<b><u>LIABILITIES:</u></b>		
Accounts Payable & Other Accrued Expenses	<u>\$43,440</u>	<u>\$34,022</u>
Total Liabilities	43,440	34,022
<b><u>NET ASSETS:</u></b>		
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><u>\$1,419,088</u></u>	<u><u>\$1,376,694</u></u>

**PIONEER INSTITUTE, INC.**

Statement of Activities

As of September 30, 2007 and 2006

	2007		2006	
	Amount	Percent	Amount	Percent
<b><u>CHANGE in UNRESTRICTED NET ASSETS:</u></b>				
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%
Major Research & Program Categories:				
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%
Other Research & Programs:				
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%)
<b><u>CHANGE in PERMANENTLY &amp; TEMPORARILY RESTRICTED NET ASSETS:</u></b>				
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%
<b><u>INCREASE/(DECREASE) IN NET ASSETS:</u></b>	34,457	2.76%	28,776	2.39%
<b><u>NET ASSETS:</u></b> Beginning of Year	1,341,191	107.50%	1,312,414	109.10%
<b><u>NET ASSETS:</u></b> 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>
<u><i>CASH FLOWS from OPERATING ACTIVITIES:</i></u>		
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>
<u><i>CASH FLOWS from INVESTING ACTIVITIES:</i></u>		
(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>
<u><i>NET INCREASE IN CASH &amp; CASH EQUIVALENTS:</i></u>	<u>(24,427)</u>	<u>(2,672)</u>
<u><i>CASH &amp; EQUIVALENTS:</i></u> Beginning of Year	<u>861,026</u>	<u>863,698</u>
<u><i>CASH &amp; EQUIVALENTS:</i></u> 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>Annual</u> <u>Rent</u>	<u>Amortized</u> <u>(Deferred)</u>	<u>Minimum</u> <u>Lease</u>
<u>Period</u>	<u>Expense</u>	<u>Free Rent</u>	<u>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 30<sup>th</sup>, 2007, resulting in the release of \$6,072 from permanent restrictions. The permanently restricted fund balances as of September 30<sup>th</sup> 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 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 2008

Account Number/ Description	2007 DISTRIBUTION OF FUNDING & EXPENSE BY PROGRAM											2007 Total Funding & Expense	2008 Total Funding & Expense
	Management & Unrestricted Operations	Fund Raising	Outreach & Public Communications	Education / Center for School Reform	Center for Urban Entrepreneurship	Lecture Series	Colby Hewitt Endowment	Healthcare	Housing Regulations	Other Research & Programs	Other Environmental		
<b>REVENUE</b>													
<b>UNRESTRICTED DONATIONS</b>													
Individual Donations-Unrestricted	\$612,143.47											\$612,143.47	\$746,598.93
Corporate Donations-Unrestricted	12,125.80											12,125.80	4,500.00
Foundation Donations-Unrestricted	144,000.00											144,000.00	82,500.00
Total - Unrestricted Donations	768,269.27											768,269.27	833,598.93
<b>IN-KIND DONATIONS - UNRESTRICTED</b>													
In-Kind Donations-Unrestr	15,000.00											15,000.00	15,000.00
<b>PERMANENT &amp; TEMPORARILY RESTRICTED DONATIONS</b>													
Individual Donations-Restricted			18,000.00	\$74,500.00	\$8,000.00	2,000.00	\$50,000.00					144,500.00	63,818.55
Corporate Donations-Restricted				49,500.00	50,000.00	80.00						8,080.00	15,700.00
Foundation Donations-Restricted			18,000.00	128,000.00	50,000.00	2,080.00	50,000.00		15,910.60			115,410.60	115,000.00
Subtotal				990.00	3,500.00	65,080.00	\$2,000.00		15,910.60			287,980.60	194,518.55
Event Sponsorship-Restricted												71,580.00	24,100.00
Endowments													
Colby Hewitt Endowment							\$82,759.91					82,759.91	94,025.00
Subtotal							82,759.91					82,759.91	94,025.00
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	312,843.55
<b>OTHER REVENUE</b>													
Ticket Sales (Event Fees)												23,320.00	10,840.00
Book Sales (Sales of all publications)	228.05											484.05	712.46
Editorial Income (Fees for writing assignments)	240.00											200.00	1,200.00
Reimbursed Expenses (Reimbursed Expenses)	1,215.00											1,215.00	8,653.67
Total - Other Revenue	1,644.05											23,585.00	21,606.13
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	1,682,848.61
<b>OPERATING EXPENSES</b>													
<b>EMPLOYMENT COSTS</b>													
Gross Wages	93,507.24	100,069.61	\$53,071.78	81,739.83	63,528.69	64,237.25		16,381.35	41,561.03	3,549.23		518,046.01	489,359.63
Bonus	361.00	398.33	204.90	315.57	245.26	248.00		63.24	162.00	13.70		2,000.00	384.62
Federal P/R Taxes - FICA/MC/FUTA	6,849.30	7,329.88	3,887.44	5,987.35	4,653.40	4,705.30		1,199.92	3,073.60	259.88		37,946.27	38,657.38
State P/R Taxes (SUI/Health tax)	52.33	56.00	29.89	45.74	35.55	35.94		9.17	23.48	1.99		289.89	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	72.43		60,164.19	27,888.68
401K-employer share	1,908.32	2,042.25	1,083.11	1,296.51	1,296.51	1,310.97		334.32	856.35	72.43		10,572.43	11,348.60
Pension Plan Charges	176.12	176.12	93.41	143.86	111.81	113.05		28.83	73.85	6.25		911.75	1,883.50
Workman's Compensation	153.53	207.11	109.84	169.17	131.48	132.95		33.80	86.84	7.35		1,072.17	1,257.00
Unemployment Benefits	(33.75)	(38.12)	(19.18)	(29.51)	(22.83)	(23.19)		(5.81)	(15.15)	(1.28)		(187.00)	
Payroll Expenses (all costs to process payroll)	542.37	560.42	307.83	474.11	368.48	372.60		95.02	243.38	20.59		3,004.80	1,403.88
<b>OUTSIDE SERVICES</b>													
Consultants (all program consultants)	3,050.00	39,288.07	18,000.00	400.00	2,000.00	42,513.00		1,560.00		1,800.00		108,651.07	24,473.11
Consultant Expenses (travel & other billed expense)	552.00	4,789.00		837.21		11,467.88		45.00				17,139.08	1,086.87
Temporary help (temporary office help)	20,000.00					554.69						20,000.00	48,128.51
<b>RESEARCH</b>													
Research Assistants (Part-time inside research)		112.50		7,095.50	419.50	6,851.25				2,012.50		18,491.25	43,430.25
Research Assistant Expenses (all reimbursed expenses)				19,760.00	80.10	30,874.13			3,500.00	9,000.00		48,885.10	9,269.64
Contracts (authors and other outside res)				2,612.52	2,000.00	14,625.00						2,812.52	84,675.00
Contract Expenses										250.00		250.00	
Peer Review						16,110.85						18,110.95	13,000.00
<b>PRINTING &amp; PUBLISHING</b>													
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	30,649.62
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	19,828.00
Graphic Design			725.00			939.88			383.25			2,048.13	
Printing & Publishing - Other		81.00	877.50	351.00	594.00	351.00		499.50		162.00		2,916.00	
<b>DISTRIBUTION COSTS</b>													
Copying/Reproduction			245.70		163.80							409.50	8,156.31
Postage Costs (Postage/Mater/BRE/Permits)	1,650.34	3,067.88	3,201.24	364.38	774.78	1,101.22		254.90	127.26	64.51		10,606.52	7,622.65
Shipping/Delivery fees	808.67			84.19		316.53		10.35	19.55			1,249.29	1,982.41
Mailing Services (Outside mailing costs)				380.17	365.11	697.62		451.05		145.36		2,239.31	7,137.24
Advertising Costs (Publ /Internet advertising)	75.00											75.00	311.00

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	MAJOR RESEARCH & PROGRAM CATEGORIES							2007 Total Funding & Expense		
				Education / Center for School Reform	Center for Urban Entrepreneurship	Shame Center for Restructuring Government	LCF	Lecture Series	Colby Hewitt Endowment	Healthcare			Housing Regulations
EVENTS & MEETINGS													
Room Costs (Rentals)	500.00			1,240.00		1,228.96	420.65	1,620.11		360.00	5,370.72	3,217.72	
Food & Beverage Costs	4,671.79	84.80	1,363.18	3,466.75	3,988.01	45,655.88	28,220.18	6,531.39	24.98	276.93	94,483.89	93,817.43	
Transportation	46.00			3,215.04		3,585.80	247.60				7,094.44	1,042.90	
Photography	184.63					542.14	450.00		(300.00)	600.00	1,456.77	3,180.47	
Tapes and Transcripts				362.25		251.25	201.25				814.75	2,955.50	
Audio-Visual	550.00			942.00	879.00	4,505.50	2,843.50	1,180.00			10,900.00	21,649.48	
Honorarium	76.70				135.00	1,959.25	2,218.04	315.00			5,076.70	11,000.00	
Other Event Expenses											4,627.29	4,451.03	
STAFF BUSINESS EXPENSES													
Breakfast/Lunches											14.75	48.90	
Training Fees/Meeting expenses (all training expenses)	140.00		14.75	185.00		(184.79)			190.00		330.21	887.24	
Transportation (travel, cabs, parking, auto)	527.90	1,518.67	55.25	1,182.12	1,302.39	1,426.11	25.00	48.00	216.20	37.54	6,501.64	3,654.41	
Meals/Food	1,729.68	286.87	128.16	1,247.18	376.03	921.00		31.80			4,759.26	4,103.41	
Entertainment	686.00					463.42					666.00	1,276.15	
Logging											463.42	46.23	
Local/Personal/Party Cash	13.76	32.47									46.23	89.17	
OFFICE OPERATIONS													
Rent (Rent)	12,041.05	12,896.09	6,834.12	10,525.74	8,180.66	8,271.90		2,109.44	5,093.37	457.04	66,709.42	72,870.50	
Electric (Utilities)	125.80	134.84	71.40	109.97	85.47	66.43		22.04	54.48	4.78	696.96	432.78	
Supplies (Equipment Rental)	2,345.10	2,509.88	1,331.01	2,049.88	1,593.26	1,611.03		410.63	1,052.38	89.01	12,992.26	13,547.38	
Equip. Contract/Rental	203.40	217.87	115.44	177.80	138.18	139.72		35.63	91.27	7.72	1,126.83	6,277.14	
Equip. Maintenance & Repairs	946.45	1,012.87	537.17	827.34	643.01	650.19		165.81	424.71	35.92	5,243.47	8,868.46	
Telephone (Telephone)	1,046.59	1,120.05	594.02	914.89	711.06	718.98		183.35	469.66	39.73	5,796.34	5,363.83	
Office Supplies (Supplies)	2,151.04	2,301.98	1,220.85	1,890.33	1,491.40	1,477.70		378.83	965.26	81.65	11,917.04	8,544.19	
Insurance (Insurance)	846.37	905.76	480.37	739.85	575.02	581.43		148.27	379.80	32.13	4,689.00	3,350.00	
Accounting Fees (Accounting Fees)	2,084.95	2,231.28	1,183.35	1,822.57	1,416.51	1,432.32		365.26	835.62	79.14	11,561.00	11,608.75	
Legal Fees	869.29	930.20	483.38	759.89	590.59	597.18		152.29	390.09	33.00	4,810.00	4,810.00	
Publications/Subscriptions	776.51	831.00	440.72	678.79	527.56	533.44		136.04	348.46	29.47	4,301.99	5,123.11	
Newsclips	4.52	4.63	2.56	3.94	3.07	3.10		0.79	2.02	0.17	25.00	25.00	
Dues/Memberships	198.56	212.48	112.69	173.56	134.89	136.40		34.78	89.10	7.54	1,100.00	850.00	
Licenses and Permits (Licenses)	291.51	311.97	165.45	254.82	196.05	200.26		51.07	130.81	11.06	1,615.00	278.00	
INTERNET/WEBSITE													
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	2,321.21	
Design	808.71	865.48	459.01	706.95	549.45	555.58		141.88	362.81	30.70	4,480.47	2,097.50	
Programming	351.67	376.35	199.60	307.41	238.92	241.59		61.61	157.81	13.35	1,948.31	1,349.50	
Hosting (Web/Email)	177,053.35	199,060.90	119,823.28	180,073.98	114,838.60	281,030.46	43,968.31	36,782.21	72,351.24	22,011.81	726,770.15	1,171,848.57	
Subtotal - Operating Expenses													
OTHER INCOME													
Interest Income (Interest Income)	(34,458.50)										(34,458.50)	(18,948.78)	
Dividend Income	(3,173.33)										(3,173.33)	(3,173.33)	
Other Capital Gains/Losses	41.01										46.41	188.28	
Increase/Decrease in mkt.value	(61,930.10)										(61,930.10)	(2,021.02)	
Miscellaneous Income	(2.02)										(2.02)	(39,401.80)	
Subtotal - Other Income													
OTHER EXPENSE													
Finance Charges	80.00	533.53									593.53	33.40	
Bank Service Charges (Bank Service Charges)	680.09	7,255.75	3,846.08	5,926.71	4,606.28	4,657.65		1,187.76	3,042.47	257.34	37,561.98	42,221.43	
Brokerage Fees	6,779.94	7,789.28	3,846.08	5,926.71	4,606.28	4,657.65		1,187.76	3,042.47	257.34	39,118.82	43,536.16	
Depreciation Expense (Depreciation Expense)	7,520.03												
Subtotal - Other Expenses													
Net Income/(Loss)	\$699,862.88	(\$206,850.18)	(\$105,471.36)	(\$61,010.69)	(\$57,942.88)	(\$204,933.11)	\$6,003.69	(\$35,949.97)	(\$59,483.11)	(\$22,269.15)	\$34,457.40	\$28,776.41	
CHANGE IN RESTRICTED NET ASSETS													
PERMANENTLY RESTRICTED FUNDS													
Beginning Balance - Permanently Restricted Funds											\$90,734.13	\$94,025.00	
Plus 2007 Permanently Restricted Contributions											\$82,759.91	\$4,025.00	
Subtotal											173,494.04	98,050.00	
Less 2007 Funds Released From Permanent Restriction											(6,072.29)	(3,230.88)	
Total											\$167,421.74	\$94,819.12	
TEMPORARILY RESTRICTED FUNDS													
Beginning Balance - Temporarily Restricted Funds											\$55,132.66	\$104,638.12	
Plus 2007 Temporarily Restricted Contributions											8,072.26	3,230.88	
Subtotal											399,576.46	218,907.30	
Less 2007 Funds Released from Restriction											400,775.52	128,517.55	
Total											\$22,269.15	\$1,215,362.73	
Funds Released From Restriction											(595,113.42)	(568,835.19)	
Ending Restricted Balance											\$31,168.35	\$55,132.66	