

## Annual Report



# Innovate to Scale

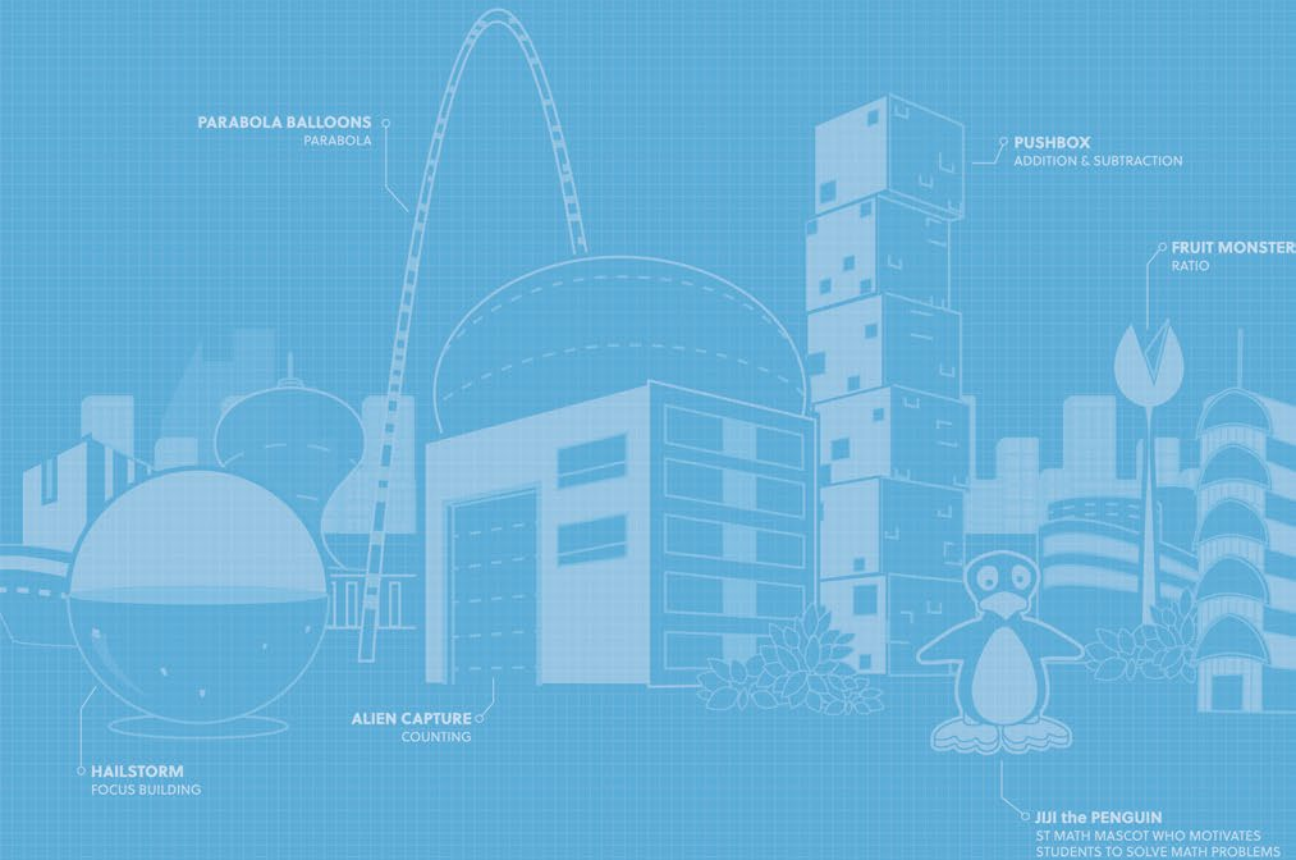
MIND Research Institute

## ○ **MISSION**

Ensure that all students are mathematically equipped to solve the world's most challenging problems.

# VALUES

The values we hold as an organization apply to our students, our teachers and ourselves, and are infused throughout our ST Math® programs and services.



## PEOPLE

Teamwork & Collaboration. Diversity. Talent. Dignity & Respect. Autonomy.

## PROBLEM SOLVING

Creativity. Reasoning. Persistence. Real-world Application.

## LEARNING

Life-long. Learning by Doing. Deep. Love of Learning.

# LEADING THE WAY

Dear Friends,

Today MIND Research Institute is at the forefront of a learning revolution in which digital technology's full potential to transform education will be realized. People all over the world will learn by doing — which neuroscientists know to be the foundation of all human learning — by solving puzzles, interacting with virtual manipulatives, playing hands-on games to explore concepts, and developing deeper understanding by tackling challenging problems.

In 2013, we reorganized to better achieve our mission for social benefit: to ensure that all students are mathematically equipped to solve the world's most challenging problems. The momentum is outstanding, with growing revenues and a record number of students using our program. We enjoyed unprecedented recognition from two groups composed largely of CEOs at Fortune 500 companies — the Business Roundtable and Change the Equation. Already in 2013, their endorsements brought in six gifts from new corporate donors, and have generated new relationships that we expect to lead to considerable growth in 2014.

Looking ahead to 2014, our strategy is to Expand, Explore and Excel. We are expanding the use of our successful ST Math: K-5 programs in an effort to double the number of student users in three years. We continue exploring new program offerings including sixth grade, middle school and high school programs. We are creating ST Math @ University to help future teachers excel with educational technology in their classrooms.

Our continued success in fostering growing numbers of creative, confident problem-solvers in our schools would not be possible without the support and leadership of friends like you.

Sincerely,



Matthew Peterson  
Co-founder and COO



Ted Smith  
Chairman and CEO





# BOARD OF DIRECTORS

**Ted Smith\***

Chairman and CEO  
MIND Research Institute

**Matthew Peterson, Ph.D.\***

Co-founder & Chief Operating Officer  
MIND Research Institute

**Mark Bodner, Ph.D.\***

Vice Chairman  
Co-founder, Scientist &  
President, Research Division  
MIND Research Institute

**Andrew R. Coulson\***

Chief Strategist and Vice President,  
Data and Evaluation  
MIND Research Institute

**Marian Bergeson**

Former CA Secretary of Education

**John P. Bishop**

Ret. Vice President  
Sikorsky Aircraft

**John R. Evans**

Ret. Senior VP, Regional Manager  
Wells Fargo Bank

**Ed Fuller\***

President & CEO  
Laguna Strategic Advisors

**Donald E. Garcia**

President & CEO  
Pinnacle Consulting Group

**Lawrence Higby**

Ret. Vice Chairman and Advisor  
Apria Healthcare, Inc.

**David Horowitz**

President  
Horowitz Management, Inc.

**Roberta Jenkins**

Matthew and Roberta  
Jenkins Family Foundation

**Mike Lefkowitz\***

President  
The Semel Group

**Jim Mazzo**

Ret. President  
Abbott Medical Optics Corp.

**Jim McCluney\***

Ret. President and CEO  
Emulex Corp.

**Jiri Patera, Ph.D.**

Professor  
University of Montreal

**Daryl G. Pelc**

Vice President  
The Boeing Company

**James Peterson\***

CEO  
Microsemi Corporation

**John Phelan**

Executive Vice President  
Capital Research and  
Management Company

**William Frederick Podlich**

Ret. CEO  
Pacific Investment Management Co.

**James "Walkie" Ray\***

Partner  
Sanderson J. Ray Development

## In Memoriam

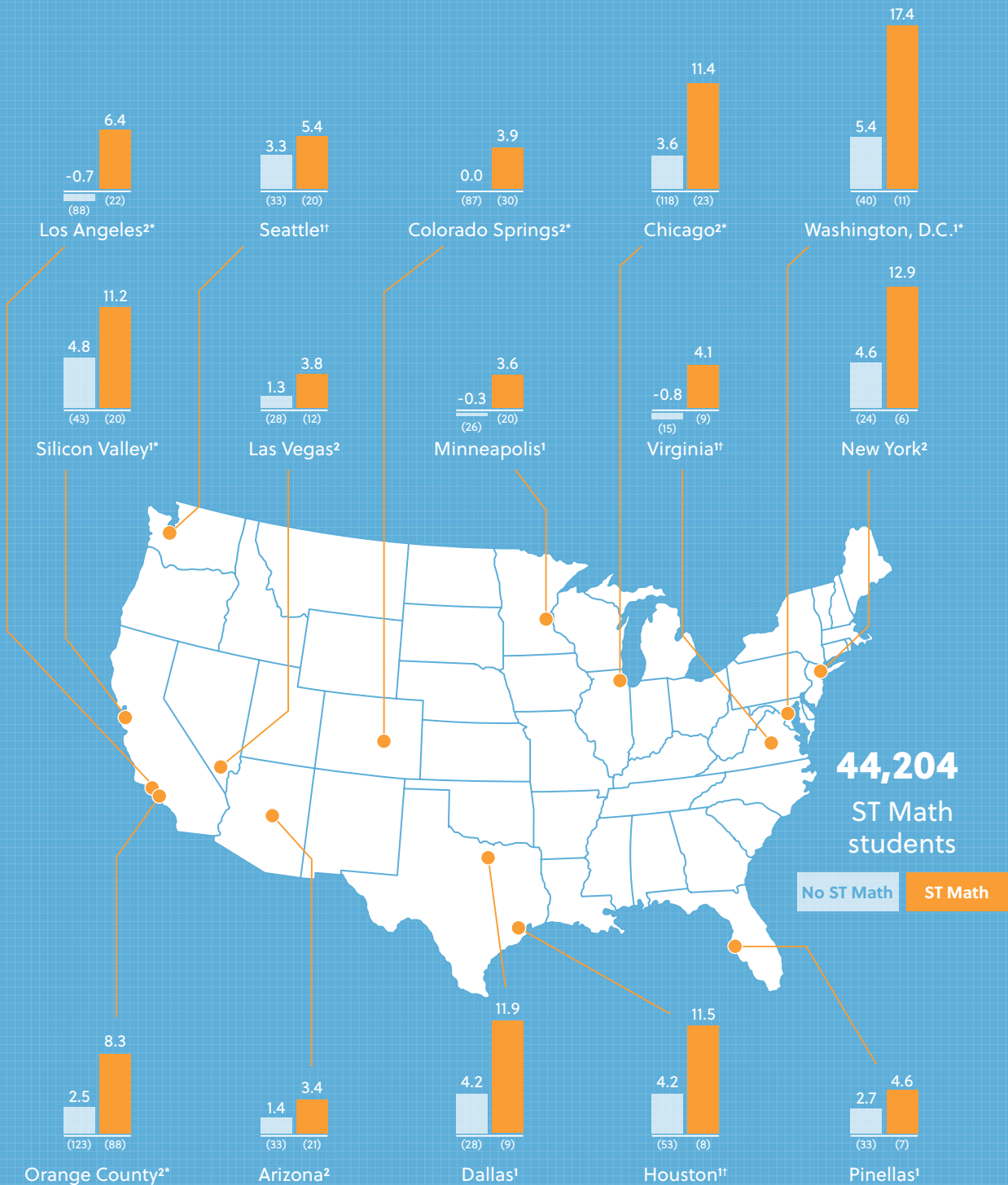
Gordon Shaw, Ph.D., Co-founder,  
Chairman Emeritus & Institute Scientist;  
MIND Research Institute  
Professor Emeritus, Physics,  
University of California, Irvine

\*Executive Committee Member

# RESULTS AT SCALE

## Grade-level Growth in State Math Test Proficiency

Change for new, fully implemented grades in average percentage of students Proficient or better



(n) = number of schools    1 one year ST Math use    2 two years ST Math use    \* p < .05    † Advanced/Commended  
Schools without ST Math had similar profiles to schools with ST Math.

# A GROWING IMPACT

## ST Math Usage Across the United States

# 2013



**630,000**  
students



**25,000**  
teachers



**2,050**  
schools



**35**  
states



**451,641**  
students



**19,435**  
teachers



**1,779**  
schools



**30**  
states

# 2012

### Independent Research Confirms ST Math's Impact

A 2013 study by the independent education research firm WestEd found that ST Math made a statistically significant impact on student math performance across 45 Los Angeles Unified School District campuses that serve primarily low-income students. This study marked the first independent confirmation of the approach MIND Research uses to analyze large cohorts of 10 or more schools.

# DEEPER LEARNING

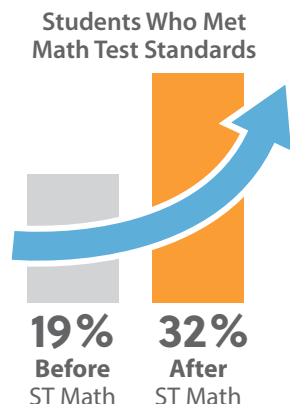
## Motivating Students to Succeed In Math

Within a few months of introducing ST Math at Minneapolis' Bancroft Elementary, math specialist Lisa Hartmann knew it was going to be a phenomenon; she just had to have it for the rest of her students. She and her principal partnered with district leaders and local donors to help bring ST Math to all second- through fifth-graders at Bancroft in 2013.

"Our students don't go home to iPads and laptops, so having technology like JiJi available at school allows them to get back in the game. If we can build a stronger math foundation in the elementary grades, then they have a better chance to succeed in higher level mathematics," says Hartmann. At Bancroft, 88 percent of students are on free and reduced lunch, and 45 percent are English Language Learners.

Even without home computers, many of Hartmann's students showed remarkable perseverance when it came to learning with ST Math — from going to the local Apple store and playing JiJi to using the free WiFi at Starbucks® with their own tablets. "I've even had librarians call me from the public library to tell me my students are playing JiJi for an hour on computers that have a 15-minute limit," says Hartmann. "They're just so motivated."

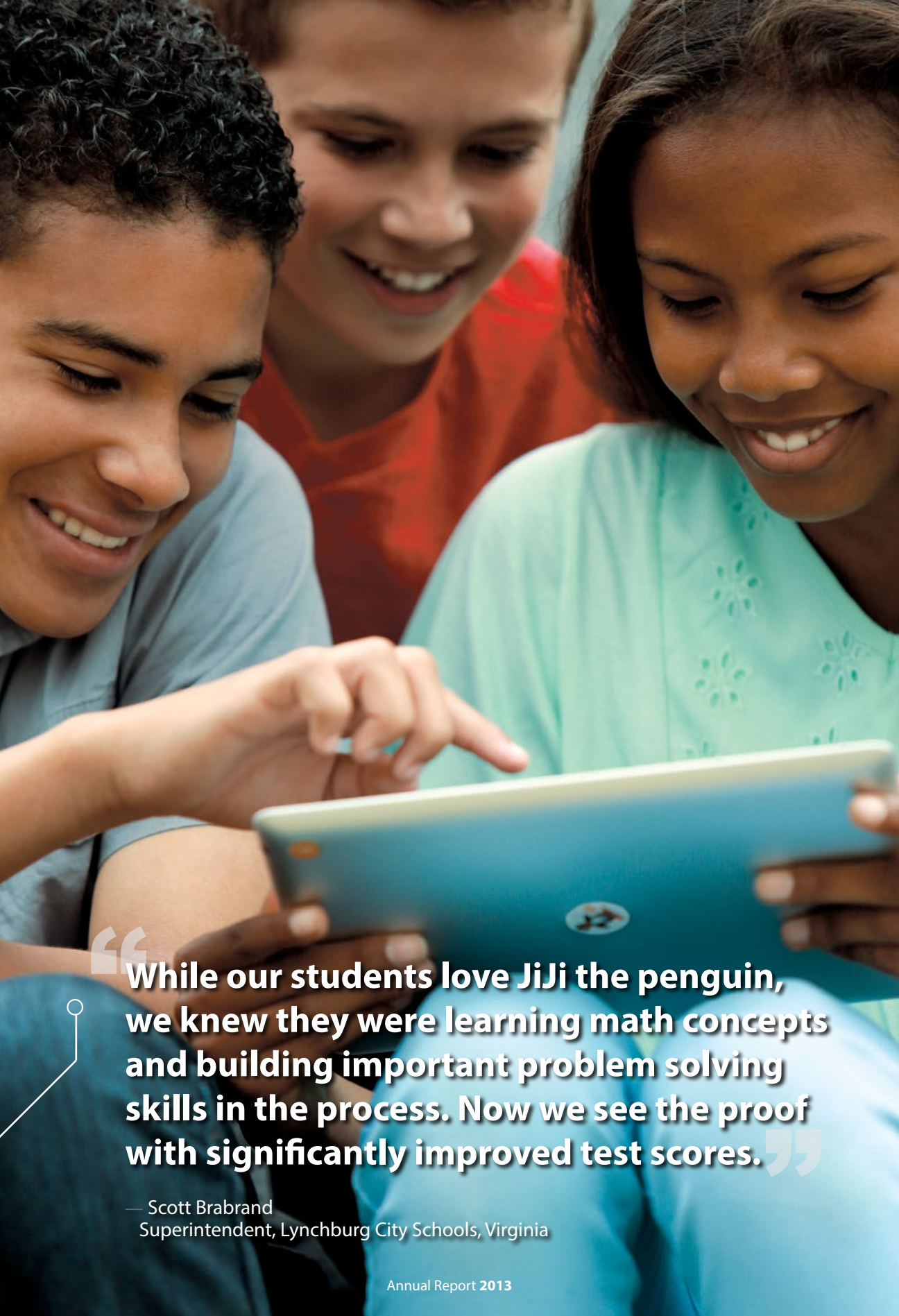
That motivation, a success in itself for students who once struggled with math, has translated into improved math scores across the school. Thirty-two percent of Bancroft students tested in 2013 met the standards, compared to 19 percent in 2011, before they met JiJi — a 14 point gain. While Bancroft had extraordinary growth, on average Minneapolis schools that used ST Math in 2012 experienced a 3.6 percentage point increase in students who met the standards, whereas similar schools without JiJi saw a 0.3 point drop.



“When you give them the technology like JiJi, you have changed the game for these kids.”

— Lisa Hartmann, Math Specialist  
Bancroft Elementary, Minneapolis





**“While our students love JiJi the penguin, we knew they were learning math concepts and building important problem solving skills in the process. Now we see the proof with significantly improved test scores.”**

— Scott Brabrand  
Superintendent, Lynchburg City Schools, Virginia

# READY TO SCALE

## **Business Roundtable**<sup>SM</sup>

In 2013, CEOs of the nation's leading businesses, including many Fortune 500 companies, recognized five education programs they deemed to have "strong potential for helping prepare more U.S. K-12 students for college and the workforce." ST Math<sup>®</sup> was the only program selected by the **Business Roundtable** that focuses solely on mathematics. This honor followed a rigorous six-month review of the scalability of nearly 100 programs. In the last quarter of the fiscal year, Business Roundtable members committed close to \$500,000 to MIND Research.

## **CHANGE THE EQUATION**<sup>TM</sup>

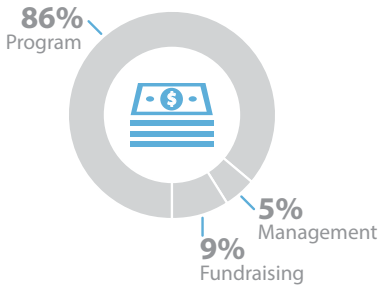
**Change the Equation**, a coalition of CEOs created through the White House's Educate to Innovate initiative, conducted a separate but complementary evaluation of educational programs. The group identified ST Math as one of four offerings that met their standard of high-quality, immediately scalable programs.



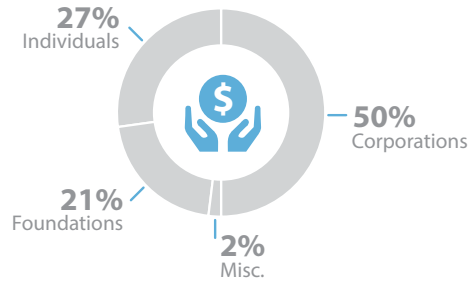
**ST Math is the only program on BOTH the Business Roundtable's and Change the Equation's short lists of recognized programs.**

# FINANCIALS

## 2013 EXPENSES



## 2013 FUNDING BY DONOR TYPE



	Total 2013	Total 2012
<b>Revenue and Support</b>		
Gross School Sales	\$ 20,066,926	\$ 15,899,090
Less Contributions/Sponsorships	(1,192,078)	(1,280,900)
<b>Total Non-Sponsored School Sales</b>	18,874,848	14,618,190
Contributions	\$ 3,809,502	\$ 4,789,153
Special Events, Net	538,687	453,316
In-Kind Revenue	1,074,462	19,056
<b>Total Development/Fundraising</b>	5,422,651	5,261,525
Gain (Loss) on Sale of Securities	\$ 232	\$ (72)
<b>Total Other Support</b>	232	(72)
Net Assets Released from Restrictions	--	--
<b>TOTAL REVENUE AND SUPPORT</b>	\$ 24,297,731	\$ 19,879,643
<b>Expenses</b>		
Program	\$ 20,391,330	\$ 16,276,528
Management	1,267,883	607,089
Fundraising	1,999,422	2,017,519
<b>TOTAL EXPENSES</b>	\$ 23,658,635	\$ 18,901,136
<b>INCREASE IN NET ASSETS</b>	639,096	978,507
<b>NET ASSETS, BEGINNING</b>	4,154,497	3,175,990
<b>NET ASSETS, ENDING</b>	<b>\$ 4,793,593</b>	<b>\$ 4,154,497</b>

MIND Research Institute's financial statements and records are audited annually by Guzman & Gray, Certified Public Accountants in Long Beach, Calif. For a complete copy of the 2013 Audited Financial Statements, please email [jingram@mindresearch.net](mailto:jingram@mindresearch.net) or call 949-345-8695.

# OUR DONORS

## \$ 3 MILLION AND UP



Funded by the  
Cisco Foundation



## \$ 1 MILLION AND UP



Paul and Margo  
Folino

The Horowitz Group

Jim and Sheila  
Peterson

### \$500,000 and up

Abbott Medical Optics  
Anonymous (2)  
Bank of America  
Bloomfield Family Foundation  
Boeing Company  
Chevron Corporation  
Children & Families Commission  
of Orange County  
Croul Family Foundation  
Michael & Susan Dell Foundation  
Hyundai Motor America  
Pacific Life Foundation  
Podlich Family Fund  
Seaver Institute  
Ted and Janice Smith Family Foundation  
Ueberroth Family Foundation  
Whitman-Harsh Family Foundation

### \$250,000 and up

Anonymous  
Capital Group Companies  
Charitable Foundation  
Gerard Family Trust  
Helping Us Help Ourselves Foundation  
Matthew & Roberta Jenkins  
Family Foundation  
KDK-Harman Foundation  
Marion Knott Foundation Inc.  
Leonetti/O'Connell Foundation  
NAMM

Dr. and Mrs. Matthew Peterson  
Sherry and John Phelan  
Marjorie T. Rawlins Trust  
Janet and James "Walkie" Ray  
Segerstrom Foundation  
Stern Charitable Trust  
Toyota USA Foundation  
University of Phoenix Foundation  
Wells Fargo Foundation  
Windsong Trust

### \$100,000 and up

Ahmanson Foundation  
Alcoa Foundation  
Annenberg Foundation  
Arnold and Mabel Beckman Foundation  
Bruce and Karen Cahill  
California Community Foundation  
Carol and Budge Collins  
Carol and James Collins Foundation  
Cummins Foundation  
Dwight Stuart Youth Fund  
Dynamax International Trading Co., Ltd  
Edwards Lifesciences Corporation  
Kris and Linda Elftmann\*  
Ella Fitzgerald Charitable Foundation  
Fluor Foundation  
Green Foundation  
Hastings/Quillin Fund  
Mr. and Mrs. Stephen Herrick  
American Honda Foundation

Hot Topic Foundation  
Houston Endowment  
Donald P. and Dodo Kennedy  
Marc Levin  
Napa Valley Vintners  
Kenneth T. & Eileen L. Norris Foundation  
O.L. Halsell Foundation  
OneWest Bank Foundation  
RGK Foundation  
Michelle Rohé  
Rose Hills Foundation  
S.L. Gimbel Foundation  
Albert and Bettie Sacchi Foundation  
SAP America, Inc.  
Sempra Energy Foundation  
Southern California Edison  
State Farm  
Symantec Foundation  
Taco Bell Corporation\*  
Tarsadia Foundation  
TROY Group, Inc.  
US Bank  
Verizon Foundation  
W.M. Keck Foundation  
Tim and Jean Weiss  
WHH Foundation  
Woodbridge Self-Storage\*  
Xerox Foundation

\* Indicates part or all of gift was in-kind  
Note: List reflects cumulative giving as of 12/31/2013



### **\$50,000 and up**

Dick and Mary Allen  
Mr. and Mrs. Eric Boden  
Emil and Maureen Brolick  
John and Constance Chambers  
Gilbert & Jacki Cisneros Foundation  
Conexant Systems, Inc.  
DIRECTV  
Experian Americas  
Falcon Investment Group  
FivePoint Communities  
Google AdWords\*  
Mike S. and Ellie Gordon  
Grammy Foundation  
Henry L. Guenther Foundation  
ITC Holdings Corp.  
J.P.Morgan Chase Foundation  
Kling Family Foundation  
Knobbe Martens Olson & Bear LLP\*  
Mr. and Dr. Steve and Amy Litchfield  
Mike and Janice Lowther  
Fariborz and Azam Maseeh  
Mr. and Mrs. Jim McCluney  
Miller Environmental, Inc.  
Northrop Grumman Foundation  
Roth Family Foundation  
Henry and Elizabeth Segerstrom  
Donald and Constance  
Sperling Foundation  
Peggy and Robert Sprague  
John R. and Elizabeth Stahr  
Steinmetz Foundation  
Elbridge & Evelyn Stuart Foundation  
United Way of Greater Los Angeles  
Viejas Entertainment & Productions  
Robert E. and Linda F. Yellin

### **\$25,000 and up**

Adams Legacy Foundation  
AFCEA  
Allergan Foundation  
Herb and Carol Amster Philanthropic Fund  
Anonymous  
AT&T Foundation  
Beall Family Foundation  
John Bishop and Barbara Nieto  
Mara W. Breech Foundation  
Citigroup  
CME Group Foundation  
Crevier Classic Cars / Crevier  
Sales & Leasing  
Dito Devcar Foundation  
Benjamin Du  
Eisner Foundation  
James and Catherine Emmi

First American Corporation  
Guardian Life Insurance Company  
of America  
Otis and Joann Healy  
Mr. and Mrs. Lawrence Higby  
George Hoag Family Foundation  
The Hoag Foundation  
IBM Corp.\*  
Mr. Michael Kaye  
Mike and Sheila Lefkowitz  
Richard L. and Ginny Linting  
Long Beach Community Foundation  
David Mark and Sandy Stone  
McCormack & Farrow\*  
David and Darrellyn Melilli  
James and Suzanne Mellor  
National Society of Black Engineers  
Hasbun Nazari Charitable Fund  
NEC Foundation of America  
Opus Community Foundation  
Quartics  
Roripaugh Family Foundation  
SchoolsFirst Federal Credit Union  
Leo M. Shortino Foundation  
Sutton Family Charitable Fund  
Technology for Kids Foundation  
Tim J. Molnar, CFP®  
Time Warner Cable\*  
Toshiba America Foundation  
Western Digital Corporation

### **\$10,000 and up**

Allen Charitable Lead Annuity Trust  
Anonymous  
William C. Bannerman Foundation  
Marian and Garth Bergeson  
Employees Community Fund of  
Boeing California  
Erik and Kari Brandi  
Richard and Susan Bridgford  
Robert and Dallas Celecia\*  
Bruce Chapman  
Commercial Bank of California  
Cox Charities  
Crane Foundation, Inc.  
Dancing Tides Foundation  
James W. and Gail Daniels  
DaVita Inc.  
Dwight Decker  
Disneyland Resort  
Draper Foundation  
Fieldstone Company  
FileNet Corporation  
Ford Motor Company  
Edwin Fuller

Gibson, Dunn & Crutcher  
Glynn Orthodontics  
Sam Goldstein  
Davis Guggenheim and Elisabeth Shue  
James P. Hagstrom and Cynthia O'Neill  
Haskell & White LLP  
Hitachi, Ltd./Hitachi Foundation  
John and Kerry Holtrust  
Robert and Connie Ihrke  
Damien M. Jordan  
Kirkland & Ellis LLP  
KPMG LLP  
Bill and Linda Kreidler  
Latham & Watkins, LLP\*  
William and Pam Lawless  
Legacy Ladies, Inc.  
Deborah Lima  
Lookout Foundation, Inc.  
Frank William Lynch  
Ann W. McDonald  
Liz Merage  
Merage Foundation  
Morgridge Family Foundation  
Donald and Carol Murray Family Trust  
National Defense Industry Association  
New Century Financial Corporation  
Martha Newkirk  
Greg Njoes  
Orange County Business Journal  
Pacific Endowment  
Stephen and Kathy Peterson  
PNC Charitable Trust  
Mike Ray  
Barbara Roberts  
Rockwell Collins  
Robert E. and Julie Romney  
Ronald McDonald House Charities  
Edward and Helen Shanbrom Family Fund  
Soka University of America  
Sooch Foundation  
Thomas E. and Gerda Sparks  
Glen and Dorothy Stillwell Charitable Trust  
TOSA Foundation  
UCI Foundation  
Rolf Uitzetter and Pam Horowitz  
United Health Foundation  
United Technologies Matching  
Gifts Program  
Orange County's United Way  
Waltmar Foundation  
Dan S. and Sharon Whelan  
Tiger Woods Foundation  
Jane Fugishige Yada  
Zeiss Optics Corporation

*\* Indicates part or all of gift was in-kind  
Note: List reflects cumulative giving as of 12/31/2013*



**MIND Research Institute**

111 Academy, Suite 100  
Irvine, California 92617

**(888) 751-5443**

**[www.mindresearch.net](http://www.mindresearch.net)**



**f** Friends of MIND Research Institute

**t** @MIND\_Research

**in** MIND Research Institute

**▶** MINDresearch