2023 & 2022 Consolidated Financial Statements

PIONEER INSTITUTE, INC.

185 Devonshire Street; Suite 1101
Boston, Massachusetts 02110

Year Ended September 30, 2023 and 2022

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Certified Public Accountants

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Glenn Ricciardelli, P.C

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of PIONEER INSTITUTE, INC. (PIONEER INSTITUTE) a not-for-profit organization, which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, cash flows, and functional expenses by program for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PIONEER INSTITUTE, INC. as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PIONEER INSTITUTE and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PIONEER INSTITUTE's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PIONEER INSTITUTE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PIONEER INSTITUTE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included in the Consolidating Statements of Financial Position and Consolidating Statements of Activities is presented solely for additional analysis and is a required part of the basic financial statements. Such information is the representation of PIONEER INSTITUTE's management and we do not express an opinion or any form of assistance thereon.

Respectfully,

Glenn Ricciardelli, PC

Boston, Massachusetts
January 12, 2024

PIONEER INSTITUTE, INC. & AFFILIATE

Consolidated Statements of Financial Position
As of September 30, 2023

	2023	2022
ASSETS:		
Current Assets:		
Cash & Cash Equivalents (Note A)	$ 1,780,467	$1,798,184
Contributions Receivable (Note A)	191,750	360,025
Prepaid Expenses & Deposits	76,127	26,915
Total Current Assets	2,048,344	2,185,124
Noncurrent Assets:		
Investments (Note D)	4,685,940	3,575,283
Property	992,864	992,864
Furniture & Fixtures	23,896	23,896
Office Equipment	49,507	49,507
Software	162,412	162,412
Subtotal	1,228,679	1,228,680
Less: Accumulated Depreciation & Amortization	(484,325)	(458,865)
Net Property & Equipment	744,354	769,814
Total Noncurrent Assets	5,430,295	4,345,098
Total Assets	**$7,478,638**	**$6,530,222**
LIABILITIES:		
Accounts Payable & Accrued Expenses	$ 207,863	$153,243
Total Liabilities	**207,863**	**153,243**
NET ASSETS:		
Without Donor Restrictions	5,255,979	4,705,831
With Donor Restrictions (Note B)	2,014,796	1,671,148
Total Net Assets	**7,270,775**	**6,376,979**
Total Liabilities and Net Assets	**$7,478,638**	**$6,530,222**

PIONEER INSTITUTE, INC. & AFFILIATE
Consolidated Statements of Activities
Years Ended September 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
CHANGE in NET ASSETS:						
Revenues:						
Contributions	$3,166,529	$1,257,946	$4,424,474	$ 2,899,496	$ 1,279,970	$4,179,466
Sales of Publications, Tickets, & Other Revenue	4,156	6,500	10,656	5,469	1,417	6,885
Total Gifts, Grants & Other Receipts	3,170,685	1,264,446	4,435,130	2,904,965	1,281,387	4,186,351
Net Assets Released from Restrictions: (Note C)	1,085,865	(1,085,865)	-	1,244,528	(1,244,528)	-
Total Support and Revenues	**4,256,550**	**178,581**	**4,435,130**	**4,149,492**	**36,859**	**4,186,351**
Expenses:						
Management & General Operations	329,730	-	329,730	280,000	-	280,000
Fund Raising	694,787	-	694,787	707,880	-	707,880
Outreach & Public Communications	487,959	-	487,959	233,437	-	233,437
Major Program Expenses:						
PioneerEducation & American Citizenship	818,875	-	818,875	762,818	-	762,818
PioneerOpportunity	454,385	-	454,385	510,988	-	510,988
PioneerHealth & Life Sciences	621,980	-	621,980	420,764	-	420,764
Pioneer Public Transparency	139,493	-	139,493	218,088	-	218,088
Lovett C. Peters Lecture Series	92,269	-	92,269	-	-	-
Legal Activities	424,874	-	424,874	93,881	-	93,881
Subtotal Program Expenses	2,551,877	-	2,551,877	2,006,539	-	2,006,539
Total Expenses	**4,064,353**	**-**	**4,064,353**	**3,227,856**	**-**	**3,227,856**
Transfer-Board Designated Funds to Hewitt Endowment	(80,000)	80,000				
Interest Income	22,110	5,390	27,500	22,861	4,226	27,087
Dividend Income	43,854	10,912	54,766	20,729	10,728	31,456
Realized Gains (Losses) on Long-term Investments	41,063	(8,626)	32,437	(79,440)	8,715	(70,726)
Unrealized Gains (Losses) on Long-term Investments	330,925	77,391	408,315	(334,253)	(97,632)	(431,885)
Subtotal	**357,951**	**165,067**	**523,018**	**(370,104)**	**(73,964)**	**(444,068)**
Change in Net Assets	**550,148**	**343,648**	**893,795**	**551,532**	**(37,104)**	**514,428**
NET ASSETS: **Beginning of Year**	**4,705,831**	**1,671,148**	**6,376,979**	**4,154,299**	**1,708,252**	**5,862,551**
NET ASSETS: **End of Year**	**$5,255,979**	**$2,014,796**	**$7,270,775**	**$4,705,831**	**$1,671,148**	**$6,376,979**

PIONEER INSTITUTE, INC. & AFFILIATE

Consolidated Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
CASH FLOWS from OPERATING ACTIVITIES:		
Change in Net Assets	$893,795	$514,428
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation & Amortization	25,460	33,564
(Increase) / Decrease in Contributions Receivable	168,275	(152,778)
(Increase) / Decrease in Prepaid Expenses & Deposits	(49,212)	(19,792)
Increase / (Decrease) in Accounts Payable & Accrued Expenses	54,620	29,962
Unrealized (Gains) Losses on Long-term Securities	(408,315)	431,885
Realized (Gains) / Losses in Long-term Securities	(32,437)	70,726
Contributions Permanently Restricted	(40,000)	(40,000)
Net Cash Provided by Operating Activities	**612,185**	**867,995**
CASH FLOWS from INVESTING ACTIVITIES:		
Purchase & Income Reinvestments of Long-term Securities	(3,259,850)	(1,451,712)
Sales of Long-term Securities	2,589,948	800,316
Net Cash Used in Investing Activities	**(669,902)**	**(651,397)**
CASH FLOWS from FINANCING ACTIVITIES:		
Net Assets with Donor Restrictions	40,000	40,000
Net Cash Provided by Financing Activities	**40,000**	**40,000**
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS:	**(17,717)**	**256,599**
CASH & EQUIVALENTS: **Beginning of Year**	**1,798,184**	**1,541,585**
CASH & EQUIVALENTS: **End of Year**	**$1,780,467**	**$1,798,184**
SUPPLEMENT NON-CASH ACTIVITIES:		
Fully Depreciated Assets Removed or Disposed	**$ -**	**$ -**

PIONEER INSTITUTE, INC. & AFFILIATE

Statements of Functional Expenses

Years Ended September 30, 2023 and 2022

Description	FY2023 MAJOR RESEARCH & PROGRAM CATEGORIES						FY2023 Supporting Services			F2023 Total Expenses
	Pioneer Education & American Citizenship	Pioneer Opportunity	Pioneer Health & Life Sciences	Pioneer Public Transparency	LCP Lecture Series	PioneerLegal LLC	Public Outreach	Management & General Operations	Fundraising	
OPERATING EXPENSES:										
EMPLOYMENT COSTS	$ 509,017	$ 329,502	$ 315,622	$ 55,658	$ 4,005	$ 336,785	$ 279,021	$ 183,515	$ 416,058	$2,429,182
CONSULTANTS & AUDIT	68,408	24,152	60,848	13,885	1,767	10,393	97,844	29,679	170,799	477,777
RESEARCH EXPENSES	108,000	26,440	146,325	33,380	1,000	26,777	-	-	-	341,922
PRINTING & DESIGN	12,785	6,325	12,391	-	5,063	10,534	26,592	1,329	8,596	83,616
ADVERTISING & DISTRIBUTION	63,516	35,503	44,615	29,171	3	504	34,819	1,934	6,797	216,862
EVENTS & MEETINGS	10,070	850	3,254	-	80,067	25,666	608	47,425	21,799	189,740
STAFF BUSINESS EXPENSES	4,115	575	12,866	115	40	1,389	4,435	404	10,905	34,844
OFFICE OPERATIONS	36,708	26,890	22,087	6,584	275	12,825	41,366	33,083	45,547	225,364
Subtotal	812,620	450,237	618,007	138,793	92,218	424,874	484,685	297,370	680,502	3,999,306
BANK & FULFILLMENT CHARGES	-	-	-	-	-	-	-	30,293	9,292	39,585
DEPRECIATION & AMORTIZATION	6,256	4,147	3,973	701	50	-	3,274	2,066	4,993	25,460
Total Other Expenses	6,256	4,147	3,973	701	50	-	3,274	32,360	14,285	65,045
Total Expenses	$ 818,875	$ 454,385	$ 621,980	$ 139,493	$ 92,269	$ 424,874	$ 487,959	$ 329,730	$ 694,787	$4,064,351

Description	FY2022 MAJOR RESEARCH & PROGRAM CATEGORIES						FY2022 Supporting Services			F2022 Total Expenses
	Pioneer Education & American Citizenship	Pioneer Opportunity	Pioneer Health & Life Sciences	Pioneer Public Transparency	LCP Lecture Series	PioneerLegal LLC	Public Outreach	Management & General Operations	Fundraising	
OPERATING EXPENSES:										
EMPLOYMENT COSTS	$ 421,987	$ 298,539	$ 206,244	$ 80,363	$ -	$ 71,569	$ 73,394	$ 166,069	$ 530,846	$1,849,011
CONSULTANTS & AUDIT	96,754	28,233	27,842	14,582	-	4,800	82,512	33,665	17,617	306,006
RESEARCH EXPENSES	115,271	26,435	101,863	48,388	-	12,500	29,950	-	36,613	371,019
PRINTING & DESIGN	10,224	23,915	2,754	623	-	290	6,327	265	20,806	65,204
ADVERTISING & DISTRIBUTION	70,835	76,032	22,590	62,413	-	677	19,767	4,613	3,190	260,116
EVENTS & MEETINGS	6,163	22,373	26,748	-	-	1,000	1,186.56	27,406	8,914	93,790
STAFF BUSINESS EXPENSES	7,520	679	15,179	673	-	-	669	3,020	31,527	59,267
OFFICE OPERATIONS	27,987	22,355	14,573	9,888	-	3,045	18,610	13,652	46,249	156,359
Subtotal	756,740	498,560	417,794	216,930	-	93,881	232,416	248,689	695,763	3,160,772
BANK & FULFILLMENT CHARGES	-	-	-	-		-	-	28,988	4,531	33,520
DEPRECIATION & AMORTIZATION	6,078	12,428	2,971	1,157	-	-	1,022	2,322	7,586	33,564
Total Other Expenses	6,078	12,428	2,971	1,157	-	-	1,022	31,311	12,118	67,084
Total Expenses	$ 762,818	$ 510,988	$ 420,764	$ 218,088	$ -	$ 93,881	$ 233,437	$ 280,000	$ 707,880	$3,227,856

Note A - Description of Organization and Summary of Significant Accounting Policies

ORGANIZATION:

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

PIONEERLEGAL, LLC, D/B/A PIONEER PUBLIC INTEREST LAW CENTER, (THE AFFILIATE) is a not-for-profit public interest law firm established in December 2021 as an LLC with PIONEER as its sole member. The AFFILIATE has its own Board of Directors whose membership must be approved by PIONEER along with its budget, the appointment of its president, and other significant transactions. Unless otherwise indicated, these consolidated entities are hereinafter referred to as "the ORGANIZATION".

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the ORGANIZATION have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, assets are recorded when the ORGANIZATION obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred. The significant accounting and reporting policies used by the ORGANIZATION are subsequently described to enhance the usefulness and understandability of the financial statements.

Financial Statement Presentation:

Principles of Consolidation

The Consolidated Financial Statements include the accounts of PIONEER and the AFFILIATE. All significant intercompany accounts have been eliminated in consolidation.

Net Assets:

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors as follows:

> Net Assets Without Donor Restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its qualification for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature: the ORGANIZATION must continue to use the resources in accordance with the donor's restrictions. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the ORGANIZATION, unless the donor provides more specific directions about the period of its use. The release of endowment assets amounted to $15,471 and $12,118, in the years ended September 30, 2023 and 2022, respectively.

Revenue and Revenue Recognition:

The ORGANIZATION recognizes contributions as revenue when they are received or unconditionally pledged. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reclassified as without restrictions. Unconditional promises to give, subject to donor-imposed restrictions with due dates scheduled after the balance sheet date, are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the related purpose or time restrictions are met. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair market value at the date of the gift.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, as of the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates included in the financial statements include the fair value of certain allowances on contributions receivable, the useful lives of depreciable assets, and the allocation of expenses to operations and programs based upon the time allocated to each by the ORGANIZATION's employees.

Contributions Receivable:

Contributions Receivable represent amounts unconditionally pledged by donors that have not yet been received by the ORGANIZATION. Contributions receivable were $191,750 and $360,025 as of September 30, 2023 and 2022, respectively.

A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has satisfied the requirement(s) in the agreement. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome.

An allowance for uncollectible contributions receivable may be determined based on management's evaluation of the collectability of individual pledged amounts. Contributions Receivable that remain uncollected for more than one year after their due dates are written off unless the donor indicates that payment is merely postponed. There was no allowance for uncollectible contributions at September 30, 2023 and 2022.

Donated Services:

The in-kind contributions in 2023 and 2022 consisted of donated accounting and tax preparation services valued by management at $20,000 and $17,500 respectively, which are included in Management & General Operations revenues and expenses. During 2023 and 2022, PIONEER received $118,121 and $117,045, respectively, in in-kind contributions for social media advertisements, which are reported both as revenues and expenses in the program areas advertised. Additionally, PIONEER received $21,641 in event expenses as an in-kind donation.

The ORGANIZATION also receives a significant amount of donated services from unpaid volunteers who assist in fundraising, and other special projects. No value has been reflected in the financial statements for volunteer hours because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributions are recognized if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The AFFILIATE receives pro-bono assistance with various mission-related litigation and amicus brief drafting. The AFFILIATE is unable to accurately assess the value of the services provided, and therefore, has not reflected the value in the financial statements.

Cash and Cash Equivalents:

The ORGANIZATION maintains its cash and cash equivalents in bank deposit accounts or in money market mutual funds. Management believes the ORGANIZATION is not exposed to any significant credit risk on cash and cash equivalents (see Note H).

The ORGANIZATION considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Investments:

The ORGANIZATION is required to apply the provisions of U.S. generally accepted accounting principles to fair value measurements for non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a non-recurring basis. The ORGANIZATION has no non-financial assets or liabilities required to be accounted for on a non-recurring basis. Fair values of financial instruments for which the ORGANIZATION did not elect the fair value option includes cash and cash equivalents, receivables, and accounts payable. Certain of these instruments are short term in nature, and accordingly, fair values are estimated to approximate the carrying values.

Interest, dividends and net gains and losses on investments are reported in the Statement of Activities as increases or decreases in net assets with donor restrictions if the terms of the gift require that amounts be applied to principal, and as increases or decreases in net assets without restrictions in all other cases.

Fair Value of Investments: (see Note D)

The ORGANIZATION reports investments at fair value on a recurring basis in its financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. These standards require an entity to maximize use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the ORGANIZATION reports certain investments using the net asset value as determined by investment managers under the Accounting Standards Update No. 2015-07, called "practical expedient". The practical expedient allows net asset value to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require the ORGANIZATION to classify the financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value (NAV) practical expedient rules, which allow for either Level 2 or Level 3 classification, depending on lock up and notice periods associated with the underlying funds.

Under ASC 820, Fair Value Measurement, instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments that are generally included in this category include listed equity and debt securities publicly traded on an exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Level 2 also includes practical expedient investments with notice periods for redemption of 90 days or less.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 also includes practical expedient investments with notice periods of more than 90 days.

All the ORGANIZATION's investment assets are classified within Level 1 because they are composed of securities with readily determinable fair values based on daily quoted prices or redemption values.

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

Property and Equipment:

Property amounts are recorded at historical cost or, if donated, at the approximate fair value at the date of donation, less accumulated depreciation. Depreciation is computed over the estimated useful lives of the assets using a straight-line basis. The ORGANIZATION adopts useful lives of 3-years for office equipment and software, 5-years for furniture and fixtures, and 39-years for commercial property. Equipment is capitalized if it has a cost of $5,000 or more and a useful life of more than one year when acquired. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred.

Functional Allocation of Expenses:

The costs of program and supporting services activities have been summarized on a functional basis in Statements of Functional Expenses. The Statements of Functional Expenses present the natural classification detail of expenses by function. The ORGANIZATION reports certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, office expenses and occupancy and certain salaries, which are allocated on the basis of estimates of time.

Nonprofit Status and Income Taxes:

The ORGANIZATION is recognized by the Internal Revenue Service (IRS) as an organization described under Section 501(c)(3) of the U.S. Internal Revenue Code and is generally exempt from federal and state income taxes on related income. Donors may deduct contributions made to the ORGANIZATION under sections 170(b)(1)(A)(vi) and (viii) of the Internal Revenue Code. The ORGANIZATION is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the ORGANIZATION is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. In the years ended September 30, 2022 & 2021, the ORGANIZATION was not subject to unrelated business income tax and it did not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Uncertain Tax Positions:
The ORGANIZATION is not currently under examination by any taxing jurisdiction. The ORGANIZATION 's federal and state tax returns are generally open for examination for 3-years following the date filed.

NOTE B - NET ASSETS WITH DONOR RESTRICTIONS

Endowment net assets are available for the following specific uses at September 30, 2023 and 2022:

	2023	2022
Colby Hewitt Endowment - Health Care	$594,893	$412,626
Tyler Family Endowment - General Operating Purposes	264,768	257,439
Total Endowment Net Assets	**$859,661**	**$670,065**

Other net assets with restrictions are available for the following specific programs at September 30, 2023 and 2022:

	2023	2022
Lovett C. Peters Memorial Fund	$18,544	$18,544
Roger Perry Internship Fund	5,415	22,915
Outreach & Public Communications	255,740	314,823
PioneerEducation & American Citizenship	530,934	331,000
PioneerOpportunity	76,402	107,402
PioneerHealth & Life Sciences	138.100	206,399
Lovett C. Peters Lecture Series	105,000	-
Total Other Net Assets with Restrictions	**$1,155,135**	**$1,001,083**
Total Net Assets with Donor Restrictions	**$2,014,796**	**$1,671,148**

NOTE C - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by satisfying the restricted purposes specified by the donor in the years ended September 30, 2023 and 2022 as follows:

	2023	2022
Development Activities & Direct Mail Campaign	$ -	$35,000
Outreach and Public Communication	277,204	278,234
Roger Perry Internship Program	17,500	10,500
PioneerEducation & American Citizenship	142,791	283,937
PioneerOpportunity	130,497	153,306

PioneerHealth & Life Sciences	373,302	249,834
PioneerPublic Transparency	100	206,349
Lovett C. Peters Lecture Series	129,000	15,250
Tyler Family Endowment	11,550	8,501
Colby Hewitt Endowment	3,921	3,617
Net Assets Released from Restrictions	**$1,085,865**	**$1,244,528**

NOTE D – INVESTMENTS

The fair market values of the ORGANIZATION's investments at September 30, 2023 and 2022 are summarized as follows:

	2023	2022
Equity Mutual Funds and Equity Index Funds	$ -	$13,018
Corporate Bond and Bond Funds	587,194	830,489
Equities	2,122,268	1,798,559
Real Estate Investment Trusts (Equity & Index Funds)	13,296	14,491
International Equities	315,051	18,721
Short-term Treasuries & Money Market Mutual Fund	1,648,131	900,005
Total	**4,685,940**	**$3,575,283**

Investment income from cash equivalents and investments is composed of the following for the years ended September 30, 2023 and 2022:

	2023	2022
Dividend & Interest	$82,266	$ 58,543
Net Realized Gains (Losses)	32,437	(70,726)
Net Unrealized Gains (Losses)	408,315	(431,885)
Total	**$ 523,018**	**$ (444,068)**

NOTES E - AVAILABILITY AND LIQUIDITY

The ORGANIZATION has a goal to maintain financial assets, which consist of cash and short-term investments, on-hand to meet 150 days of the prior year's operating expenses, which on average, amounted to $1,344,940 in 2023 and $1,294,828 in 2022. The AFFILIATE has not yet established such a policy. The ORGANIZATION has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the ORGANIZATION invests cash in excess of daily requirement in various short-term investments, including money market mutual funds and short-term treasury instruments. PIONEER's Board of Directors established a policy whereby up to 10% of board designated funds could be used by management for short-term operating needs to be replenished to board-designated funds within 12 months. There were no board-designated funds used for such purpose as of September 30, 2023 and 2022.

The following represents the ORGANIZATION 's financial assets as of September 30, 2023 and 2022:

Financial Assets as of September 30, 2023:	$6,658,157
Less: Unavailable for General Expenditures within 1-year,due to:	
Contractual or Donor-Imposed Restrictions:	(859,661)
Restricted by Donor with Time or Purpose Restrictions	-
Board Designations:	
Quasi-Endowment Fund, primarily for Long-Term Investing	(2,588,832)
Amounts set aside for Liquidity Reserve	(1,344,940)
Financial Assets within 1-Year Available for General Expenditures	$1,864,724

Financial Assets as of September 30, 2022:	$5,733,492
Less: Unavailable for General Expenditures within 1-year,due to:	
Contractual or Donor-Imposed Restrictions:	(670,065)
Restricted by Donor with Time or Purpose Restrictions	-
Board Designations:	
Quasi-Endowment Fund, primarily for Long-Term Investing	(2,262,298)
Amounts set aside for Liquidity Reserve	(1,294,828)
Financial Assets within 1-Year Available for General Expenditures	$1,507,328

NOTE F - AGENCY TRANSACTION

IN 2021, PIONEER received contributions of $160,000 that the donors intended to be passed through to the AFFILIATE, once established. In fiscal year 2022, PIONEER received an additional $20,000 in donations intended for the AFFILIATE before the AFFILIATE was established. After the AFFILIATE was formed, PIONEER transferred $180,000 to the AFFILIATE. The transaction was eliminated in consolidation.

NOTE G - CONTRIBUTORY RETIREMENT PLAN

The ORGANIZATION offers a defined contribution plan (401(k) plan) administered by a third party whereby employees could contribute up to IRS maximums. The ORGANIZATION makes a non-elective contribution in an amount equal to 3-percent of each employee's compensation up to $330,000 and $305,000 in calendar years 2023 and 2022, respectively. Employees vest immediately in the ORGANIZATION 's contribution credited to their accounts. During the years ended September 2023 and 2022, employer contributions to the plan totaled $59,478 and $42,052, respectively.

NOTE H - CONCENTRATION OF CREDIT AND MARKET RISK

The ORGANIZATION maintains several bank accounts at two large regional financial institutions. Deposits held in non-interest-bearing transaction accounts are now aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to at least $250,000. At times, the ORGANIZATION's aggregate bank balances exceed the available limit of insurance, although management regularly monitors the cash positions to minimize any potential exposure to uninsured losses.

Note I - ENDOWMENT FUNDS

PIONEER holds endowment funds named the Colby Hewitt Endowment for Health Care and the Tyler Family Endowment. These funds are valued at the market value of the investments that make up these endowments. The values of the endowments that are not immediately available to withdraw are classified as net assets with donor restrictions. Unexpended appreciation on restricted assets is included in endowment assets unless otherwise instructed by the donor. In 2023, PIONEER'S board voted to transfer $80,000 from Board-designated funds to the Colby Hewitt Endowment.

Interpretation of Relevant Law

The Board of Directors of the ORGANIZATION has interpreted Massachusetts' Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As of September 30, 2023 and 2022, there was no such donor stipulation on the Colby Hewitt Endowment, but the Tyler Family Endowment provided for dividend income to be used for operating purposes regardless of whether the original gift value was satisfied. While both endowments are restricted and are classified as net assets with restrictions, the Colby Hewitt endowment is classified as net assets with restrictions, which include; (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The ORGANIZATION considers the following factors in deciding to appropriate or accumulate funds with donor restrictions:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Endowment Funds Analysis

(a) Changes in Endowment Net Assets Changes in endowment net assets for the years ended September 30, 2023 and 2022 are as follows:

	Fair Market Value
Endowment Assets as of September 30, 2021	**$716,146**
Plus: Investment Income	14,955
Less: Net Loss on Investments	(88,917)
Total Investment Return	(73,963)
Plus: Contributions	40,000
Less: Assets Released from Restrictions	(12,118)
Endowment Assets as of September 30, 2022	**$670,065**
Plus: Investment Income	16,303
Plus: Net Gain on Investments	68,765
Total Investment Return	85,067
Plus: Contributions, including transfer from Board-designated funds	120,000
Less: Assets Released from Restrictions	(15,471)
Endowment Assets as of September 30, 2023	**$859,661**

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment fund deficits exist, it may necessitate a reduction of unrestricted net assets consistent with the terms of the endowment agreement. There were no deficiencies of this nature as of September 30, 2023 and 2022.

(c) Return Objectives and Risk Parameters and Strategies Employed for Achieving Objectives

The overall investment objective of PIONEER is to achieve a total return (net of investment management fees) above guideline returns over an equity market cycle, which is typically 3 to 7 years.

(d) Investment Objectives Related to Spending Policy

PIONEER's investment objectives are to maintain purchasing power on a consistent and long-term basis, and to also preserve capital absolutely over a market cycle. The primary long-term goal is to earn an investment return that permits a distribution of at least 3.5% annually for operating purposes. Because PIONEER's spending is expected to be less than the long-term real rate of investment return, the purchasing power of the endowments should increase over the long term.

NOTE J - BOARD DESIGNATED FUNDS

Net Assets Without Donor Restrictions include the governing Board Designated Funds. The following is a summary of the balances of these funds on September 30, 2023 and 2022:

2023	2022
$2,588,832	$2,262,298

NOTE K – OPERATING LEASE

On July 28, 2023, the Organization signed a Space Sharing License Agreement for the use of one exterior office suite of approximately 160 square feet in a building known as Suite 825 East located at 101 Constitution Avenue, Washington, DC. The agreement extends for 24 months, commencing on September 1, 2023 and expiring on September 30, 2025. The monthly rent is $2,500 for year one and $2,575 for year two of the agreement. Total rent for the location for the year ended September 30, 2023 and 2022 totaled $2,500 and $0, respectively. Future minimum lease payments are as follows:

Year Ended September 30,	Amount
2024	$ 30,075
2025	28,325
Total	$ 58,400

NOTE L – SHARED SERVICES

During 2023 and 2022, PIONEER entered into a shared services agreement with an entity for office space and administrative support. Under the agreement, PIONEER was paid $1,527 and $6,422, respectively, for services rendered, which is included in Other Revenue in the Statement of Activities.

NOTE M - SUBSEQUENT EVENTS

In December 2023, PIONEER's board of directors voted to approve the proposed bylaws of MASS OPPORTUNITY ALLIANCE, INC., an organization intended to be established under Section 501(c)6 of the Federal Tax Code in 2024, with PIONEER as one of the founding members.

The ORGANIZATION did not have other any recognized or non-recognized subsequent events after September 30, 2023, the date of the statement of financial position. Subsequent events have been evaluated through January 12, 2023, the date the financial statements were available to be issued.

PIONEER INSTITUTE, INC. & AFFILIATE

Consolidating Statement of Financial Position

As of September 30, 2023

	Pioneer Institute	PioneerLegal LLC	Eliminations	Consolidated Total
ASSETS:				
Current Assets:				
Cash & Cash Equivalents (Note A)	$1,520,396	$ 260,070	$ -	$ 1,780,467
Contributions Receivable (Note A)	161,750	30,000	-	191,750
Due from Affiliate	12,365	-	(12,365)	-
Prepaid Expenses & Deposits	76,127	-	-	76,127
Total Current Assets	1,770,638	290,070	(12,365)	2,048,344
Noncurrent Assets:				
Investments (Note D)	4,685,940	-	-	4,685,940
Property	992,864	-	-	992,864
Furniture & Fixtures	23,896	-	-	23,896
Office Equipment	49,507	-	-	49,507
Software	162,412	-	-	162,412
Subtotal	1,228,680	-	-	1,228,680
Less: Accumulated Depreciation & Amortization	(484,325)	-	-	(484,325)
Net Property & Equipment	744,355	-	-	744,354
Total Noncurrent Assets	5,430,295	-	-	5,430,295
Total Assets	**$7,200,933**	**$290,070**	**($12,365)**	**$7,478,638**
LIABILITIES				
Accounts Payable & Accrued Expenses	$189,723	$ 18,140	$ -	$ 207,863
Due to Affiliate	-	12,365	(12,365)	-
Total Liabilities	**189,723**	**30,505**	**(12,365)**	**207,863**
NET ASSETS:				
Without Donor Restrictions	4,996,414	259,565	-	5,255,979
With Donor Restrictions (Note B)	2,014,796	-	-	2,014,796
Total Net Assets	**7,011,210**	259,565	-	**7,270,775**
Total Liabilities and Net Assets	**$7,200,933**	**$290,070**	**($12,365)**	**$7,478,638**

PIONEER INSTITUTE, INC. & AFFILIATE

Consolidating Statement of Activities

Year Ended September 30, 2023

	Pioneer Institute	PioneerLegal	Eliminations	Consolidated
CHANGE in NET ASSETS:				
Revenues:				
Contributions	$4,091,199	$463,275	$ (130,000)	$ 4,424,474
Sales of Publications, Tickets, and Other Revenue	42,780	-	(32,124)	10,656
Total Support and Revenues	**4,133,980**	**463,275**	**(162,124)**	**4,435,130**
Expenses:				
Management & General Operations	430,945	48,060	(149,275)	329,730
Fund Raising	673,700	30,725	(9,637)	694,787
Outreach & Public Communications	475,309	15,862	(3,212)	487,959
Major Program Expenses:				
PioneerEducation & American Citizenship	818,875	-	-	818,875
PioneerOpportunity	454,385	-	-	454,385
PioneerHealth & Life Sciences	621,980	-	-	621,980
Pioneer Public Transparency	139,493	-	-	139,493
Lovett C. Peters Lecture Series	92,269	-	-	92,269
Legal Activities	-	424,874	-	424,874
Subtotal Program Expenses	2,127,002	424,874	-	2,551,877
Total Expenses	**3,706,956**	**519,521**	**(162,124)**	**4,064,353**
Interest Income	27,475	25	-	27,500
Dividend Income	54,766	-	-	54,766
Realized Gains (Losses) on Long-term Investments	32,437	-	-	32,437
Unrealized Gains (Losses) on Long-term Investments	408,315	-	-	408,315
Subtotal	**522,993**	**25**	**-**	**523,018**
Change in Net Assets	**950,016**	**(56,221)**	**-**	**893,795**
NET ASSETS: **Beginning of Year**	**6,061,194**	**315,785**	**-**	**6,376,979**
NET ASSETS: **End of Year**	**$7,011,210**	**$259,564**	**-**	**$7,270,774**