GLENN RICCIARDELLI, P.C.

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Glenn Ricciardelli, P.C

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

Report on Financial Statements

We have audited the accompanying financial statements of PIONEER INSTITUTE, INC., a "not-for-profit", which comprise the statement of financial position as of September 30, 2015, related statement of activities and changes in net assets, cash flows, and revenues and investment income and functional expenses by program for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements and Revenues & Investment Income & Functional Expenses by Program

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PIONEER INSTITUTE, INC. as of September 30, 2015, and the changes in their net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Report on Summarized Comparative Information

We have previously audited Pioneer's 2014 financial statements, and our report dated January 20, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which is has been derived.

Respectfully,

Glenn Ricciardelli, PC

Boston, Massachusetts
January 7, 2016

PIONEER INSTITUTE, INC.
Statements of Financial Position
As of September 30, 2015 and 2014

	2015	**2014**
ASSETS:		
Current Assets:		
Cash & Cash Equivalents (Note A)	$926,946	$320,423
Contributions Receivable (Note A)	47,450	227,839
Prepaid Expenses & Deposits	$20,475	32,971
Total Current Assets	994,871	581,232
Property & Equipment:		
Property	952,984	952,984
Furniture & Fixtures	23,895	23,895
Office Equipment	40,172	40,172
Software	119,427	95,429
Subtotal	1,136,479	1,112,481
Less: Accumulated Depreciation & Amortization	(179,482)	(132,880)
Net Property & Equipment	956,997	979,601
Other Assets		
Long-Term Investments (Note F)	1,118,081	1,133,935
Long-term Contributions Receivable	-	25,000
Total Assets	**$3,069,949**	**$2,719,769**
LIABILITIES:		
Accounts Payable & Accrued Expenses	67,867	73,721
Total Liabilities	**67,867**	**73,721**
NET ASSETS:		
Unrestricted	1,978,425	1,960,400
Temporarily Restricted (Note C)	779,924	450,498
Permanently Restricted (Note C)	243,733	235,150
Total Net Assets	**3,002,082**	**2,646,047**
Total Liabilities and Net Assets	**$3,069,949**	**$2,719,769**

PIONEER INSTITUTE, INC.
Statements of Activities
As of September 30, 2015 and 2014

	2015	2014
CHANGE in UNRESTRICTED NET ASSETS:		
Revenues:		
Contributions	$1,124,723	$1,147,042
Sales of Publications, Tickets, etc.	18,461	7,981
Total Unrestricted Revenues	1,143,185	1,155,023
Net Assets Released from Restrictions: (Note D)		
Satisfaction of Program Restrictions	677,571	587,596
Total Unrestricted Revenues & Assets Released from Restriction	**1,820,756**	**1,742,619**
Expenses:		
Management & General Operations	192,623	143,281
Fund Raising	310,983	207,713
Outreach & Public Communications	50,177	46,141
Major Research & Program Categories:		
Lovett C. Peters Memorial	-	8,187
Center for School Reform	623,269	647,645
Center for Economic Opportunity	68,383	65,012
Healthcare Initiative	94,446	122,574
Shamie Center for Better Government	403,634	332,599
Middle Cities Initiative	14,703	8,097
Lovett C. Peters Lecture Series	63,762	74,302
Total Expenses	**1,821,979**	**1,655,551**
Interest Income	110	7,353
Dividend Income	23,880	18,968
Realized Gains (Losses) on Long-term Investments	(2,167)	178
Unrealized Gains (Losses) on Long Term Investments	(2,576)	24,573
	19,248	**51,072**
Increase/(Decrease) in Unrestricted Net Assets	**18,025**	**138,140**
CHANGE in PERMANENT & TEMPORARILY RESTRICTED NET ASSETS:		
Temporarily Restricted:		
Contributions - Temporary Restriction (Note A, C)	997,996	394,489
Interest Income	11	16
Dividend Income	2	0
Net Assets Released from Restrictions (Note D)	(668,583)	(580,408)
Total Increase (Decrease)	329,426	(185,903)
Permanently Restricted:		
Contributions - Permanent Restriction (Note A, C)	1,500	4,000
Interest Income	3	5
Dividend Income	9,737	8,567
Realized Losses on Long Term Investments	(2,002)	(103)
Unrealized Gains (Losses) on Long Term Investments	8,334	10,303
Net Assets Released from Restrictions (Note D)	(8,988)	(7,188)
Inc./(Dec.) in Permanent & Temporarily Restricted Net Assets	**8,584**	**15,584**
INCREASE/(DECREASE) IN NET ASSETS:	356,035	(32,179)
NET ASSETS: **Beginning of Year**	**2,646,047**	**2,678,226**
NET ASSETS: **End of Year**	**$3,002,082**	**$2,646,047**

PIONEER INSTITUTE, INC.
Statements of Cash Flows
As of September 30, 2015 and 2014

	2015	2014
CASH FLOWS from OPERATING ACTIVITIES:		
Change in Net Assets	$356,035	($32,179)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation & Amortization	46,603	44,827
Decrease/(Increase) in Contributions Receivable	205,388	(30,256)
Decrease in Prepaid Expenses & Deposits	12,497	25,849
Increase/(Decrease) in Accounts Payable & Accrued Expenses	(5,855)	9,757
Unrealized Gains on Long Term Investments	(5,759)	(34,877)
Realized (Gains) in Long Term Investments	(4,169)	(75)
Contributions Restricted for Purchase of Equip. & Other LT Purposes	-	(70,016)
Contributions Permanently Restricted	(1,500)	(4,000)
Net Cash Provided by (Used in) Operating Activities	**603,240**	**(90,970)**
CASH FLOWS from INVESTING ACTIVITIES:		
Purchase of Property & Equipment	(23,998)	(22,451)
(Purchase & Income Reinvestments) / Sales of Long-Term Investments	25,781	(48,813)
Net Cash Provided by (Used in) Investing Activities	**1,783**	**(71,264)**
CASH FLOWS from FINANCING ACTIVITIES:		
Contributions Restricted for Purchase of Equip. & Other LT Purposes	-	70,016
Contributions Permanently Restricted	1,500	4,000
Net Cash Provided by Financing Activities	**1,500**	**74,015**
NET (INCREASE) DECREASE IN CASH & CASH EQUIVALENTS:	**606,523**	**(88,219)**
CASH & EQUIVALENTS: **Beginning of Year**	**320,423**	**408,641**
CASH & EQUIVALENTS: **End of Year**	**$926,946**	**$320,423**
SUPPLEMENT NON-CASH ACTIVITIES:		
Fuly Depreciated Assets Removed or Disposed	**$ -**	**$246,576**

PIONEER INSTITUTE, INC.
Supplemental Schedule - Summary of Funding & Expenses by Program
For the Years Ended September 30th, 2015 and 2014

Account Number / Description	FY2015 DISTRIBUTION of FUNDING & EXPENSE by PROGRAM				MAJOR RESEARCH & PROGRAM CATEGORIES							FY2015 Total Funding & Expense	FY2014 Total Funding & Expense
	Management & General Operations	Development & Fund Raising	Lovett C. Peters Memorial Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Healthcare Initiative	Shamie Center for Better Government	Middle Cities Inititative	LCP Lecture Series	Colby Hewitt Endowment		
REVENUE:													
UNRESTRICTED DONATIONS:													
4-1010 · Individual Donations	$ 735,612	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 735,612	$ 805,014
4-1020 · Corporate Donations	9,100	-	-	-	-	-	-	-	-	-	-	9,100	21,100
4-1030 · Foundation Donations	311,967	50,000	-	-	-	-	-	-	-	-	-	361,967	303,428
Total - Unrestricted Donations	**1,056,678**	**50,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,106,678**	**1,129,542**
IN-KIND DONATIONS:													
4-1040 · In-Kind Donations	17,500	545	-	-	-	-	-	-	-	-	-	18,045	17,500
Total - In-Kind Donations	**17,500**	**545**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,045**	**17,500**
PERMANENT & TEMPORARILY RESTRICTED DONATIONS:													
4-2010 · Individual Donations	-	2,396	-	-	166,625	-	1,000	36,075	-	3,750	-	209,846	57,950
4-2020 · Corporate Donations	-	-	-	-	2,000	-	10,000	1,000	-	-	-	13,000	-
4-2030 · Foundation Donations	-	75,000	-	-	509,400	-	40,000	50,000	-	-	-	674,400	250,500
4-2040 · Event Sponsorship	-	-	-	-	-	-	26,500	72,750	-	1,500	-	100,750	86,039
Subtotal	**-**	**77,396**	**-**	**-**	**678,025**	**-**	**77,500**	**159,825**	**-**	**5,250**	**-**	**997,996**	**394,489**
Endowments:						-							
4-2110 · Colby Hewitt Endowment	-	-	-	-	-	-	-	-	-	-	1,500	1,500	4,000
Subtotal	-	-	-	-	-	-	-	-	-	-	1,500	**1,500**	**4,000**
Total 4-2000 · Restricted Donations	**-**	**77,396**	**-**	**-**	**678,025**	**-**	**77,500**	**159,825**	**-**	**5,250**	1,500	**999,496**	**398,489**
OTHER REVENUE:													
4-5000 · Ticket Sales	-	-	-	-	-	-	550	14,000	-	-	-	14,550	7,262
4-6000 · Book Sales	-	-	-	-	1,791	-	-	20	-	-	-	1,811	144
4-7000 · Editorial Income	2,100	-	-	-	-	-	-	-	-	-	-	2,100	575
Subtotal	**2,100**	**-**	**-**	**-**	**1,791**	**-**	**550**	**14,020**	**-**	**-**	**-**	**18,461**	**7,981**
Total Income	**1,076,278**	**127,941**	**-**	**-**	**679,816**	**-**	**78,050**	**173,845**	**-**	**5,250**	**1,500**	**2,142,681**	**1,553,512**
OPERATING EXPENSES:													
EMPLOYMENT COSTS:													
6-1100 · Gross Wages	74,689	194,225	-	21,322	323,068	49,438	32,021	179,259	11,573	3,873	-	889,469	716,901
6-1150 · Bonus	-	-	-	-	-	-	-	-	-	-	-	-	6,000
6-1200 · Federal P/R Taxes-employer	5,024	13,064	-	1,434	21,730	3,325	2,154	12,057	778	261	-	59,828	48,375
6-1300 · State P/R Taxes	131	340	-	37	565	87	56	314	20	7	-	1,556	1,717
6-1400 · Health & Dental-employer	7,379	19,190	-	2,107	31,920	4,885	3,164	17,711	1,143	383	-	87,881	66,892
6-1500 · 401K-employer share	1,817	4,724	-	519	7,858	1,203	779	4,360	282	94	-	21,636	16,450
6-1550 · Pension Plan Charges	212	553	-	61	919	141	91	510	33	11	-	2,530	1,814
6-1600 · Workmen's Compensation	90	235	-	26	390	60	39	217	14	5	-	1,075	1,072
6-1800 · Payroll Expenses	293	762	-	84	1,268	194	126	703	45	15	-	3,490	2,920
Subtotal	**89,636**	**233,092**	**-**	**25,589**	**387,720**	**59,331**	**38,429**	**215,132**	**13,889**	**4,648**	**-**	**1,067,466**	**862,142**
OUTSIDE SERVICES:													
6-2100 · Consultants	1,007	3,528	-	287	7,555	666	432	2,416	156	52	-	16,099	24,583
6-2400 · Annual Audit	22,500	-	-	-	-	-	-	-	-	-	-	22,500	22,500
Subtotal	**23,507**	**3,528**	**-**	**287**	**7,555**	**666**	**432**	**2,416**	**156**	**52**	**-**	**38,599**	**47,083**
RESEARCH:													
6-3160 · Data/FOIA	-	-	-	-	-	-	62	3,048	-	-	-	3,110	1,710
6-3200 · Contracts	-	-	-	86	65,210	675	32,145	73,367	-	4,334	-	175,817	202,841
6-3300 · Prizes	-	-	-	-	10,000	-	-	14,000	-	-	-	24,000	19,545
Subtotal	**-**	**-**	**-**	**86**	**75,210**	**675**	**32,207**	**90,414**	**-**	**4,334**	**-**	**202,927**	**224,097**
PRINTING & PUBLISHING:													
6-4100 · Printing Costs	1,220	22,884	-	2,969	3,855	-	2,040	5,088	-	1,542	-	39,597	29,027
6-4300 · Editors/Writers	-	-	-	-	500	-	-	3,500	-	-	-	4,000	2,000
6-4400 · Graphic Design	-	462	-	4,082	10,168	1,047	1,841	6,975	-	199	-	24,775	18,780
Subtotal	**1,220**	**23,346**	**-**	**7,051**	**14,523**	**1,047**	**3,881**	**15,563**	**-**	**1,741**	**-**	**68,372**	**49,807**
DISTRIBUTION COSTS:													
6-5100 · Copying/Reproduction	727	8,433	-	6	414	149	237	236	-	19	-	10,220	434
6-5200 · Postage Costs	-	-	-	-	1,435	-	-	306	-	-	-	1,741	6,039
6-5300 · Shipping/Delivery fees	-	2,342	-	2,497	-	-	-	-	-	-	-	4,839	337
6-5400 · Mailing Services	-	70	-	2,566	3,600	250	550	6,700	-	-	-	13,736	2,465
6-5500 · Advertising Costs	-	3,150	-	-	-	-	-	-	-	-	-	3,150	26,520
Subtotal	**727**	**13,995**	**-**	**5,070**	**5,449**	**399**	**787**	**7,242**	**-**	**19**	**-**	**33,686**	**35,795**
EVENTS & MEETINGS:													
6-6100 · Room Costs	1,535	-	-	-	6,703	750	23	1,368	-	-	-	10,380	15,888
6-6200 · Food & Beverage Costs	4,903	3,209	-	-	15,570	2,487	11,515	40,416	-	38,281	-	116,381	111,398
6-6250 · Transportation	-	-	-	-	12,074	-	-	1,009	-	944	-	14,027	10,708
6-6300 · Photography	-	-	-	-	-	-	-	500	-	450	-	950	1,817
6-6600 · Audio-Visual	-	-	-	245	10,400	-	4,270	6,444	-	6,029	-	27,388	18,697
6-6800 · Honorarium	-	-	-	-	43,500	-	-	-	-	5,000	-	48,500	66,750
6-6950 · Other Event Expenses	-	112	-	-	1,249	-	46	1,830	-	1,710	-	4,947	3,711
Subtotal	**6,439**	**3,320**	**-**	**245**	**89,497**	**3,237**	**15,855**	**51,567**	**-**	**52,414**	**-**	**222,574**	**228,969**
STAFF BUSINESS EXPENSES:													
6-7100 · Breakfasts/Luncheons	1,060	2,661	-	169	901	32	-	660	-	-	-	5,484	4,510

The Accompanying Notes are an Integral Part of these Financial Statements

PIONEER INSTITUTE, INC.
Supplemental Schedule - Summary of Funding & Expenses by Program
For the Years Ended September 30th, 2015 and 2014

Account Number / Description	FY2015 DISTRIBUTION of FUNDING & EXPENSE by PROGRAM				MAJOR RESEARCH & PROGRAM CATEGORIES							FY2015 Total Funding & Expense	FY2014 Total Funding & Expense
	Management & General Operations	Development & Fund Raising	Lovett C. Peters Memorial Fund	Outreach & Public Communication	Center for School Reform	Center for Economic Opportunity	Healthcare Initiative	Shamie Center for Better Government	Middle Cities Inititative	LCP Lecture Series	Colby Hewitt Endowment		
6-7200 · Training/Meeting Fees	-	529	-	902	106	-	-	653	-	-	-	2,190	1,294
6-7300 · Transportation	172	6,868	-	1,383	6,314	-	212	1,132	-	-	-	16,081	18,304
6-7400 · Meals/Food	-	96	-	-	1,234	-	-	-	-	-	-	1,330	2,516
6-7600 · Lodging	-	-	-	-	1,151	-	-	-	-	-	-	1,151	2,024
6-7700 · Miscellaneous/Petty Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**1,233**	**10,154**	**-**	**2,455**	**9,706**	**32**	**212**	**2,445**	**-**	**-**	**-**	**26,237**	**28,648**
OFFICE OPERATIONS:													
6-8100 · Rent	-	-	-	-	-	-	-	-	-	-	-	-	12,651
6-8101 · Condo fees	26,618	-	-	-	-	-	-	-	-	-	-	26,618	24,754
6-8102 · Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	(98)
6-8150 · Equip. Supplies	-	-	-	-	-	-	-	-	-	-	-	-	5,222
6-8175 · Equip. Contracts/Rental	1,038	9,652	-	2,703	4,488	687	445	2,490	160	54	-	21,717	19,636
6-8180 · Equip. Maintenance & Repairs	97	251	-	28	418	64	41	232	15	5	-	1,150	4,454
6-8200 · Electric	-	-	-	-	-	-	-	-	-	-	-	-	448
6-8300 · Telephone	220	571	-	63	950	145	94	527	34	11	-	2,616	2,742
6-8500 · Office Supplies	1,256	4,157	-	408	5,935	831	704	3,270	195	399	-	17,155	14,128
6-8600 · Insurance	771	2,005	-	220	3,335	510	331	1,850	119	40	-	9,181	4,388
6-8750 · Legal/ProfessionalFees	588	1,529	-	168	12,043	389	252	1,411	91	30	-	16,500	15,000
6-8800 · Publications/Subscriptions	-	79	-	-	707	185	657	2,457	-	-	-	4,085	2,655
6-9925 · Newsclips	-	-	-	2,000	-	-	-	-	-	-	-	2,000	3,567
6-8850 · Dues/Memberships	42	1,109	-	12	182	28	18	101	7	2	-	1,500	2,458
6-8875 · Licenses and Permits	62	910	-	18	394	41	26	148	10	3	-	1,611	1,443
Subtotal	**30,690**	**20,262**	**-**	**5,618**	**28,451**	**2,880**	**2,569**	**12,486**	**631**	**545**	**-**	**104,132**	**113,447**
INTERNET/WEBSITE:													
6-9100 · Internet Access	109	284	-	31	472	72	47	262	17	6	-	1,299	1,714
6-9300 · Programming	-	-	-	3,699	2,000	-	-	309	-	-	-	6,008	14,939
6-9400 · Hosting	64	168	-	45	279	43	28	155	10	3	-	795	849
Subtotal	**174**	**451**	**-**	**3,775**	**2,751**	**115**	**74**	**725**	**27**	**9**	**-**	**8,101**	**17,501**
Total Operating Expense	**153,624**	**308,149**	**-**	**50,177**	**620,861**	**68,383**	**94,446**	**397,991**	**14,703**	**63,762**	**-**	**1,772,094**	**1,607,488**
OTHER EXPENSE:													
8-1200 · Bank Service Charges	280	-	-	-	-	-	-	-	-	-	18	298	318
8-1300 · Brokerage Fees	168	-	-	-	-	-	-	-	-	-	100	268	225
8-1600 · Credit Card Processing Fees	-	2,834	-	-	-	-	-	-	-	-	-	2,834	2,694
8-2000 · Depreciation & Amortization Expense	38,550	-	-	-	2,408	-	-	5,645	-	-	-	46,603	44,827
Subtotal	**38,999**	**2,834**	**-**	**-**	**2,408**	**-**	**-**	**5,645**	**-**	**-**	**118**	**50,004**	**48,064**
Total Expense	**192,623**	**310,983**	**-**	**50,177**	**623,269**	**68,383**	**94,446**	**403,635**	**14,703**	**63,762**	**118**	**1,822,097**	**1,655,552**
OTHER INCOME:													
7-1000 · Interest Income	110	-	11	-	-	-	-	-	-	-	3	124	7,374
7-2000 · Dividend Income	23,880	-	2	-	-	-	-	-	-	-	9,855	33,737	27,535
7-4000 · Other Capital Gains/(Losses)	(2,167)	-	-	-	-	-	-	-	-	-	(2,002)	(4,169)	75
7-5000 · Increase/(Decrease) in mkt.value	(2,575)	-	-	-	-	-	-	-	-	-	8,334	5,760	34,877
Subtotal	**19,249**	**-**	**13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,190**	**35,451**	**69,861**
Net Income/(Loss)	**$ 902,904**	**$ (183,041)**	**$ 13**	**$ (50,177)**	**$ 56,547**	**$ (68,383)**	**$ (16,396)**	**$ (229,790)**	**$ (14,703)**	**$ (58,512)**	**$ 17,572**	**$ 356,035**	**$ (32,179)**
CHANGE in RESTRICTED NET ASSETS:													
PERMANENTLY RESTRICTED FUNDS:													
Beginning Balance - Permanently Restricted Funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**235,150**	**235,150**	**219,566**
Plus: 2015 Permanently Restricted Contributions	-	-	-	-	-	-	-	-	-	-	1,500	1,500	4,000
Plus/(Minus): Dividends, Interest, Δ Mkt Vl Perm. Rest. Funds	-	-	-	-	-	-	-	-	-	-	16,071	16,071	18,772
Subtotal	-	-	-	-	-	-	-	-	-	-	**252,721**	**252,721**	**242,338**
Less: 2015 Funds Released From Permanent Restriction	-	-	-	-	-	-	-	-	-	-	(8,988)	(8,988)	(7,188)
Ending Permanently Restricted Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 243,733**	**$ 243,733**	**235,150**
TEMPORARILY RESTRICTED FUNDS:													
Beginning Balance - Temporarily Restricted Funds	**-**	**62,262**	**221,770**	**-**	**123,500**	**-**	**-**	**42,966**	**-**	**-**	**-**	**450,498**	**636,401**
Plus: 2015 Funds Released from Perm. Rstcd. Funds	-	-	-	-	-	-	8,988	-	-	-	-	8,988	7,188
Plus: 2015 Temporarily Restricted Income	-	77,396	13	-	678,025	-	77,500	159,825	-	5,250	-	998,009	394,505
Subtotal	**-**	**139,658**	**221,783**	**-**	**801,525**	**-**	**86,488**	**202,791**	**-**	**5,250**	**-**	**1,457,495**	**1,038,094**
Less: Temporarily Restricted Funds Expended	-	(48,897)	(85,939)	-	(267,206)	-	(86,488)	(183,791)	-	(5,250)	-	(677,571)	(587,596)
Ending Temporarily Restricted Balance	**$ -**	**$ 90,761**	**$ 135,844**	**$ -**	**$ 534,319**	**$ -**	**$ -**	**$ 19,000**	**$ -**	**$ -**	**$ -**	**$ 779,924**	**$ 450,498**

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

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

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

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

> Unrestricted Net Assets – All resources over which the governing board has discretionary control. The governing board of PIONEER may elect to designate such resources for specific purpose. This designation may be removed at the Board's direction.
>
> Temporarily Restricted Net Assets – Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.
>
> Permanently Restricted Net Assets – Endowment resources accumulated through donations or grants that are subject to donor-imposed stipulations are maintained in perpetuity with the principal to be invested by PIONEER. These net assets include the original value of the gift, plus any subsequent additions. Unexpended appreciation on restricted assets is included in restricted net assets unless otherwise instructed by the donor.

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

PIONEER reports gifts of cash and other assets as permanently restricted support if they are received with donor stipulations that limit the access to the principal portion of the original donated assets. The release of permanently restricted assets amounted to $8,998 and $7,188, in the years ended September 30, 2015 and 2014, respectively.

Contributions receivable represent amounts unconditionally pledged by donors that have not been received by PIONEER. Current contributions receivable were $47,450 and $252,839 as of September 30, 2015 and 2014, respectively.

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

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

An allowance for uncollectible contributions receivable would be determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donor's indicate that payment is merely postponed. There was no allowance for uncollectible contributions at September 30, 2015 and 2014.

CONTRIBUTED SERVICES:
The in-kind contributions for 2015 and 2014 consisted of donated Certified Public Accounting services valued by management at $17,500 and which are included in program and administrative revenues and expenditures.

Pioneer also receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No contributions are reflected in the financial statements for volunteer hours, as the following criteria were not met. 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.

CASH AND CASH EQUIVALENTS:

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

INVESTMENTS:

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

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

FAIR VALUE MEASUREMENTS: (see Note E)

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

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

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

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

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

Level 3 also includes practical expedient investments with notice periods of more than 90 days.

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

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

PROPERTY AND DEPRECIATION:
Property amounts are recorded at historical cost or, if donated, at the approximate fair value at the date of donation, less accumulated depreciation. Depreciation is computed over the estimated useful lives of the assets using a straight-line basis. PIONEER adopts useful lives of 3-years for office equipment & software and 5-years for furniture and fixtures. Equipment is capitalized if it has a cost of $5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. During the year ended September 30, 2014, PIONEER disposed of fully depreciated assets with a total cost basis of $246,576.

PIONEER purchased an office condominium located at 185 Devonshire Street in Boston Massachusetts on December 29, 2012 for $800,000. PIONEER has since undertaken improvements to the space, which has been capitalized as part of the cost of the property. PIONEER has adopted a useful life of 40 years for the condominium and began depreciating the property in November 2013 concurrent with occupancy.

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

UNCERTAIN TAX POSITIONS:
PIONEER accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. PIONEER has identified its tax status as

a tax-exempt entity as its only significant tax position: however, Pioneer has determined that such tax position does not result in an uncertainty requiring recognition. PIONEER is not currently under examination by any taxing jurisdiction. PIONEER's Federal and state tax returns are generally open for examination for three years following the date filed.

2014 COMPARATIVE INFORMATION:
The supplemental schedule within the financial statements includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Pioneer's financial statements for the year ended September 30, 2014 from which the summarized information was derived.

NOTE B – PROPERTY & EQUIPMENT

PIONEER's investments in property and equipment as of September 30th were comprised of the following:

	2015	2014
Property	$952,984	$952,984
Furniture & Fixtures	23,896	23,896
Office Equipment	40,172	40,172
Software	119,427	95,429
Subtotal	1,136,479	1,112,481
Less: Accumulated Depreciation	(179,482)	(132,880)
Net Property & Equipment	**$956,997**	**$979,601**

NOTE C - RESTRICTED NET ASSETS

Permanently restricted net assets are available for the following specific programs at September 30, 2015 and 2014:

	2015	2014
Colby Hewitt Endowment for Health Care	$243,733	$235,150
Total Permanently Restricted	$**243,733**	$**235,150**

Temporarily restricted net assets are available for the following specific programs at September 30, 2015 and 2014:

	2015	2014
Development Activities & Direct Mail Campaign	$90,761	$62,262
Lovett C. Peters Memorial Fund	135,844	221,770
Center for School Reform	534,319	123,500
Shamie Center for Better Government	19,000	42,966
Total Temporarily Restricted	$**779,924**	$**450,498**

NOTE D - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donor. For the years ended September 30, 2015 and 2014, the following purpose restrictions were accomplished:

	2015	2014
Development Activities & Direct Mail Campaign	$48,897	$12,950
Lovett C. Peters Memorial Fund	85,939	151,607
Center for School Reform	267,206	230,521
Healthcare Initiative	86,488	33,438
Shamie Center for Better Government	183,791	154,080
Middle Cities Initiative	-	2,500
Lovett C. Peters Lecture Series	5,250	2,500
Net Assets Released from Restrictions	**$677,571**	**$587,596**

NOTE E – FAIR VALUE OF INVESTMENTS

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

September 30, 2015	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Domestic Stock Funds – Intermediate & Small	$56,151	$56,151
Corporate & Governmental Bond Funds	287,932	287,932
Domestic Equities	310,632	310,632
Domestic Real Estate Investment Trust	27,554	27,554
Money Market Fund	435,812	435,812

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

NOTES F – INVESTMENTS

The fair market values at September 30, 2015 and 2014 are as follows:

Description	2015	2014
Domestic Stock Mutual Funds – Intermediate & Small	$56,151	$58,622
Corporate & Government Bond Funds	287,932	373,269
Domestic Equities	310,632	234,492
Domestic Real Estate Investment Trust	27,554	-
Money Market Fund	435,812	467,552
Total	$1,118,081	$1,133,935

Investment income from cash equivalents and investments is comprised of the following for the years ended September 30, 2015 and 2014.

Description	2015	2014
Dividend & Interest	$33,861	$34,909
Net Realized Gains (Losses)	(4,169)	75
Net Unrealized Gains (Losses)	5,758	34,877
Total	$35,450	$69,860

NOTE G – AGENCY TRANSACTION

PIONEER holds no "pass through" grants as of September 30, 2015.

NOTE H – CONTRIBUTORY RETIREMENT PLAN

PIONEER offers a defined contribution plan (401k plan) administered by a third-party whereby employees can contribute up to IRS maximums and PIONEER will match 50% of the contribution up to the first 6% of the employee's salary. Employees vest immediately in employer contribution credited to their accounts.

NOTE I – CONCENTRATION OF CREDIT AND MARKET RISK

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

NOTE J – RELATED PARTY TRANSACTION

PIONEER entered into a contract with a related party in conjunction with the improvements to the office condominium and the work was completed at cost of $10,780 in the year ended September 30, 2014.

Note K – RESTRICTED ENDOWMENT NET ASSETS

PIONEER holds endowment funds for the benefit named Colby Hewitt Endowment for Health Care. These funds are valued at the market value of the investments that make up this endowment. The values of the original donations are classified as permanently restricted net assets and appreciation of endowment assets that are not immediately available to withdraw are classified as permanently restricted net assets.

Interpretation of Relevant Law

The board of trustees of Pioneer has interpreted the 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 a result of this interpretation, the Fund classifies as permanently restricted net assets (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.

Fund-by-Fund Analysis:

(a) Changes in Endowment Net Assets

Changes in endowment net assets for the year ended September 30, 2015 are as follows:

	Permanently Restricted	Total Fair Market Value
Endowment Net Assets as of September 30, 2014	$ 235,150	$ 235,150
Plus: Investment Income	9,739	9,739
Plus: Net Gain (Loss) on Investments	6,332	6,332
Total Investment Return	251,221	251,221
Plus: Contributions	1,500	1,500
Less: Endowment Assets Released from Restrictions	(8,988)	(8,988)
Endowment Assets as of September 30, 2015	$ 243,733	$ 243,733

(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, they are classified as a reduction of unrestricted net assets. There were no deficiencies of this nature as of September 30, 2015.

(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, if any) above 6% over an equity market cycle, defined by a period that includes both a bull (rising) and a bear (declining) market and typically extends for 3 – 7 years. The long-term target asset allocations range from 0% to 60% of equity securities and from 0% to 80% of fixed income investments.

(d) Spending Policy and How Investment Objectives Relate to Spending Policy

PIONEER's investment objectives are to maintain purchasing power on a long-term basis and to also preserve principal over a market cycle. The primarily long-term goal is to earn an investment return that permits a distribution of at least 3.5% annually for endowment uses.

NOTE L – SUBSEQUENT EVENTS

PIONEER did not have any recognized or non-recognized subsequent events after September 30, 2015, the date of the statement of financial position. Subsequent events have been evaluated through January 7, 2016, the date the financial statements were available to be issued.