

Financial Statements Together with
Report of Independent Certified Public Accountants

IEEE FOUNDATION, INCORPORATED

December 31, 2018 and 2017

IEEE FOUNDATION, INCORPORATED

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors

IEEE Foundation, Incorporated

We have audited the accompanying financial statements of IEEE Foundation, Incorporated (the “Foundation”), which comprise the statements of financial position as of December 31, 2018 and 2017, the related statements of activities and cash flows for the years then ended, and the statement of functional expenses for the year ended December 31, 2018, and the related notes to the financial statements.

Management’s responsibility for the financial statements

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

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors’ 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 Foundation’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 Foundation’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the 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 the Foundation as of December 31, 2018 and 2017, the changes in its net assets and its cash flows for the years then ended, and the statement of functional expenses for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Iselin, New Jersey
April 5, 2019

IEEE FOUNDATION, INCORPORATED
Statements of Financial Position
As of December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 7,635,766	\$ 8,137,695
Amounts due from IEEE	237,368	116,752
Contributions receivables, net	2,422,111	3,346,280
Prepaid expenses and other assets	91,412	87,188
Investments, at fair value	35,727,769	37,226,290
Beneficial interest in trust	3,061,598	3,311,271
Assets held in trust for others	<u>373,732</u>	<u>418,052</u>
Total assets	<u>\$ 49,549,756</u>	<u>\$ 52,643,528</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	\$ 69,120	\$ 124,794
Awards and grants payable	2,371,927	2,515,264
Amounts due to IEEE	152,543	74,108
Liability for amounts held for others	<u>373,732</u>	<u>418,052</u>
Total liabilities	<u>2,967,322</u>	<u>3,132,218</u>
Contingencies		
NET ASSETS		
Without donor restrictions		
Operating	10,733,235	13,091,831
Board designated	<u>3,335,435</u>	<u>3,700,394</u>
Total net assets without donor restrictions	14,068,670	16,792,225
With donor restrictions	<u>32,513,764</u>	<u>32,719,085</u>
Total net assets	<u>46,582,434</u>	<u>49,511,310</u>
Total liabilities and net assets	<u>\$ 49,549,756</u>	<u>\$ 52,643,528</u>

The accompanying notes are an integral part of these financial statements.

IEEE FOUNDATION, INCORPORATED
Statement of Activities
For the year ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions, including contributed services of \$1,273,324	\$ 2,337,239	\$ 4,715,784	\$ 7,053,023
Change in fair value of beneficial interest in trust	-	(249,673)	(249,673)
Investment losses, net	(651,079)	(1,049,380)	(1,700,459)
Net assets released from restrictions	<u>3,622,052</u>	<u>(3,622,052)</u>	<u>-</u>
Total revenues	<u>5,308,212</u>	<u>(205,321)</u>	<u>5,102,891</u>
EXPENSES			
Program services:			
Illuminate	1,596,895	-	1,596,895
Educate	1,935,460	-	1,935,460
Engage	299,656	-	299,656
Energize	<u>1,959,943</u>	<u>-</u>	<u>1,959,943</u>
Total program services	<u>5,791,954</u>	<u>-</u>	<u>5,791,954</u>
Supporting services:			
Administrative	909,523	-	909,523
Fundraising activities	<u>1,330,290</u>	<u>-</u>	<u>1,330,290</u>
Total supporting services	<u>2,239,813</u>	<u>-</u>	<u>2,239,813</u>
Total expenses	<u>8,031,767</u>	<u>-</u>	<u>8,031,767</u>
Changes in net assets	(2,723,555)	(205,321)	(2,928,876)
Net assets, beginning of year	<u>16,792,225</u>	<u>32,719,085</u>	<u>49,511,310</u>
Net assets, end of year	<u>\$ 14,068,670</u>	<u>\$ 32,513,764</u>	<u>\$ 46,582,434</u>

The accompanying notes are an integral part of this financial statement.

IEEE FOUNDATION, INCORPORATED
Statement of Activities
For the year ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions, including contributed services of \$1,256,490	\$ 2,538,191	\$ 5,083,410	\$ 7,621,601
Change in fair value of beneficial interest in trust	-	410,821	410,821
Investment income, net	2,261,325	2,995,273	5,256,598
Net assets released from restrictions	<u>3,292,705</u>	<u>(3,292,705)</u>	<u>-</u>
Total revenues	<u>8,092,221</u>	<u>5,196,799</u>	<u>13,289,020</u>
EXPENSES			
Program services:			
Illuminate	1,296,506	-	1,296,506
Educate	1,784,777	-	1,784,777
Engage	378,866	-	378,866
Energize	<u>2,011,599</u>	<u>-</u>	<u>2,011,599</u>
Total program services	<u>5,471,748</u>	<u>-</u>	<u>5,471,748</u>
Supporting services:			
Administrative	906,278	-	906,278
Fundraising activities	<u>1,415,847</u>	<u>-</u>	<u>1,415,847</u>
Total supporting services	<u>2,322,125</u>	<u>-</u>	<u>2,322,125</u>
Total expenses	<u>7,793,873</u>	<u>-</u>	<u>7,793,873</u>
Changes in net assets	298,348	5,196,799	5,495,147
Net assets, beginning of year	<u>16,493,877</u>	<u>27,522,286</u>	<u>44,016,163</u>
Net assets, end of year	<u>\$ 16,792,225</u>	<u>\$ 32,719,085</u>	<u>\$ 49,511,310</u>

The accompanying notes are an integral part of this financial statement.

IEEE FOUNDATION, INCORPORATED
Statement of Functional Expenses
For the year ended December 31, 2018

	Program Services					Supporting Services			Total Expenses
	Illuminate	Educate	Engage	Energize	Total	Administrative	Fundraising Activities	Total	
Grants	\$ 1,596,895	\$ 1,275,780	\$ 299,656	\$ 943,760	\$ 4,116,091	\$ -	\$ -	\$ -	\$ 4,116,091
Recognition awards	-	-	-	740,131	740,131	-	-	-	740,131
Medals and certificates	-	364	-	91,439	91,803	-	-	-	91,803
Scholarships and fellowships	-	557,000	-	-	557,000	-	-	-	557,000
Student meetings and related travel	-	102,316	-	6,312	108,628	-	-	-	108,628
Print and mailings	-	-	-	77,223	77,223	-	-	-	77,223
IEEE contract support:									
IEEE professional staff services	-	-	-	85,297	85,297	567,270	-	567,270	652,567
Rent	-	-	-	3,310	3,310	22,577	-	22,577	25,887
Professional fees	-	-	-	-	-	36,888	-	36,888	36,888
Office equipment	-	-	-	5,800	5,800	17,500	-	17,500	23,300
Contract - Other charges	-	-	-	6,671	6,671	45,535	-	45,535	52,206
Total IEEE contract support	-	-	-	101,078	101,078	689,770	-	689,770	790,848
Travel and meetings	-	-	-	-	-	192,296	-	192,296	192,296
Other	-	-	-	-	-	27,457	-	27,457	27,457
Fundraising:									
Contributed services	-	-	-	-	-	-	1,273,324	1,273,324	1,273,324
Consultants and other	-	-	-	-	-	-	56,966	56,966	56,966
Total expenses	<u>\$ 1,596,895</u>	<u>\$ 1,935,460</u>	<u>\$ 299,656</u>	<u>\$ 1,959,943</u>	<u>\$ 5,791,954</u>	<u>\$ 909,523</u>	<u>\$ 1,330,290</u>	<u>\$ 2,239,813</u>	<u>\$ 8,031,767</u>

The accompanying notes are an integral part of this financial statement.

IEEE FOUNDATION, INCORPORATED
Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (2,928,876)	\$ 5,495,147
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized and unrealized losses (gains) from investments	2,744,029	(4,374,535)
Change in fair value of beneficial interest in trust	249,673	(410,821)
Donated stock	(2,618)	(219,174)
Proceeds from sale of donated stock	2,584	217,888
Changes in assets and liabilities:		
Decrease (increase) in contributions receivables	924,169	(921,188)
(Increase) decrease in amounts due from IEEE	(120,616)	45,515
Increase in prepaid expenses and other assets	(4,224)	(7,743)
Decrease (increase) in assets held in trust for others	44,320	(32,359)
(Decrease) increase in accrued expenses	(55,674)	76,732
(Decrease) increase in awards and grants payable	(143,337)	703,757
Increase in amounts due to IEEE	78,435	9,029
(Decrease) increase in liability for amounts held for others	(44,320)	32,359
	<u>743,545</u>	<u>614,607</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	454,000	1,509,000
Purchase of investments	(1,699,474)	(794,847)
	<u>(1,245,474)</u>	<u>714,153</u>
Net cash (used in) provided by investing activities		
Net (decrease) increase in cash and cash equivalents	(501,929)	1,328,760
Cash and cash equivalents at beginning of year	<u>8,137,695</u>	<u>6,808,935</u>
Cash and cash equivalents at end of year	<u>\$ 7,635,766</u>	<u>\$ 8,137,695</u>

The accompanying notes are an integral part of these financial statements.

IEEE FOUNDATION, INCORPORATED

Notes to Financial Statements

December 31, 2018 and 2017

1. IEEE FOUNDATION, INCORPORATED

IEEE Foundation, Incorporated (the “Foundation”) performs activities solely in support of the scientific and educational functions and programs of The Institute of Electrical and Electronics Engineers, Incorporated (the “Institute,” or “IEEE”).

Our Vision: The Foundation is a leader in transforming lives through the power of technology and education.

Our Mission: The Foundation enables IEEE programs that enhance technology access, literacy, and education; supports the IEEE professional community; and inspires the generosity of donors.

Components of Program Services

Illuminate - the possibilities of technology by using it to address global challenges.

Technology allows us to ask previously unimaginable questions and find solutions to unsolved problems.

IEEE Smart Village

IEEE Smart Village (ISV) has a unique approach to support the world’s energy-impooverished communities by providing a comprehensive solution combining renewable energy, community-based education and entrepreneurial opportunities. ISV provides seed-funding to carefully selected community entrepreneurs based upon a credible business plan that will impact significant number of people with electricity, education and jobs. In 2018, 300,000+ Village lives were transformed with power.

EPICS in IEEE

Engineering Projects in Community Service (EPICS) is one of IEEE’s most effective student-centered programs. EPICS in IEEE empowers students to work with local service organizations to apply their newly acquired technical acumen to envision, develop and install solutions for a community’s unique challenges. In this way, EPICS in IEEE assists communities in achieving their specific local community improvement goals and provides the students with critically needed experiential learning opportunities. An IEEE Educational Activities program, EPICS in IEEE connects engineering with community service in four categories of community improvement effort: Access and Abilities -- Education and Outreach -- Environment -- Human Services. Since the program’s inception, EPICS in IEEE has awarded funds to 127 projects on 5 continents that have engaged 550+ volunteers, and 800+ university and 3,500+ pre-university students.

Other Illuminate Programs

Other special programs made possible by IEEE members of all ages from all around the world help us to realize the full potential of IEEE. Donations to IEEE Foundation enable emergency relief, community outreach, a global competition to foster innovation and develop electricity access, and other initiatives that help meet the world’s most pressing challenges.

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Educate - the next generation of innovators and engineers.

The future of technology depends upon the nourishment of brilliant minds, the creation of opportunities to dream and the cultivation of a generation of socially responsible technology professionals.

IEEE Power & Energy Society Scholarship Plus Initiative

IEEE Power & Energy Society (PES) Scholarship Plus Initiative addresses the crucial workforce shortage facing the power and energy industry. The Initiative encourages high-achieving undergraduate students in the U.S., Canada, Puerto Rico, Italy and India to pursue careers in the power and energy industry by awarding scholarships and connecting the students to internships and mentors. These promising PES Scholars graduate with the knowledge and career experience necessary to begin making an impact across the power and energy industry. In the US, 917 students have earned 1,556 scholarships since 2011. In 2018, 27% of the recipients are female. Nearly 60% of the scholarship recipients are working at more than 500 organizations. Nearly half of the recipients are second and third-time awardees, ensuring that upon graduation each student has earned at least one career experience providing critical real-world application of classroom theory. PES Scholars also take advantage of IEEE PES membership, which provides them with access to a wide network of professionals who can offer assistance as mentors and with career direction.

IEEE REACH Program

Raising Engineering Awareness through the Conduit of History (REACH) provides free educational resources to pre-university teachers and their students via the REACH website: reach.ieee.org. The site boasts subscribers from more than 45 US states and 43 countries. Other subscribers include librarians, students, IEEE members, partner organizations, those with an interest in education and other engineering associations.

Goals of the program include engaging students in the history of technology and encouraging the examination of its relationship with society, culture, economics, and politics, providing a new lens from which students may view engineering and technology as relevant to their lives and their future, enhancing student skills in problem solving, critical thinking, research, communication and collaboration, preparing students to become better-informed citizens of our high-tech society, and meeting the needs of teachers.

Students and Young Professionals

The process of inspiring bright minds includes creating opportunities and cultivating a generation of socially responsible technology professionals. IEEE is uniquely positioned to empower hundreds of bright young minds and encourages the next generation of electrical engineers through the expansive collection of scholarships, fellowships and travel grants to attend IEEE conferences as well as educational programs that promote science, technology, engineering and mathematics.

Engage - a wider audience in appreciating the value and importance of engineering and technology.

Technological advancements and their impact on humanity during the past 150 years have been monumental. Preserving this history enables us to better understand today and improve tomorrow.

IEEE History Center

The IEEE History Center records, archives and educates the public about the nature of technology and its relationship, both past and present, to society. Through its programs, the Center promotes the rich history of technology; records and shares the memories of hundreds of technological icons;

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honors technological achievements through IEEE Milestones; and preserves the institutional heritage of IEEE. Its vast array of resources is delivered to the public through the Engineering & Technology History Wiki - www.ethw.org, and other publicly available sources.

Energize - innovation by celebrating technological excellence.

Technological innovation pushes the boundaries of thinking, breaks new ground and improves lives.

Recognition of Innovation

For nearly 100 years, IEEE has recognized and lauded individuals whose exceptional contributions inspire us all through the lasting impact their work has had on technology, society, the engineering profession, and humanity. The portfolio of IEEE awards supported through the Foundation is vast and celebrates accomplishments across the breadth and depth of IEEE activities and technical fields.

Investing in Innovation - Grants Program

The IEEE Foundation Grants Program invites grant applications exclusively from IEEE organizational units for projects that address the pre-defined theme identified by the Foundation each year. The theme aligns with the Foundation's mission to enable IEEE programs that improve access to technology, enhance technological literacy, and support technical education and the IEEE professional community. This highly competitive program invests in innovative and promising IEEE projects. The 2018 Grants Cycle theme was: *Raise awareness and understanding of science and technology and their potential to address a global challenge.* 34 grant applications were received, and 6 were approved.

IEEE-Eta Kappa Nu

IEEE-Eta Kappa Nu (IEEE-HKN) is the vibrant honor society of IEEE dedicated to encouraging and recognizing individual excellence in education and meritorious work in professional practice, and in any of the areas within the IEEE-designated fields of interest. IEEE-HKN is recognized throughout the profession and members carry with them the distinction of superior scholarship, attitude, and character. IEEE-HKN boasts 263 chapters worldwide with more students than ever, an average of 18 students per chapter. Chapter leaders work closely with faculty and their University departments to fill gaps and aid in student success on their campuses. Service hours and programs offered by HKN Chapters make an impact on the communities served.

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Program services-related expenses are comprised of the following:

	<u>2018</u>	<u>2017</u>
Illuminate:		
IEEE Smart Village	\$ 1,368,323	\$ 1,058,306
EPICS in IEEE	225,900	238,200
Other Illuminate programs	<u>2,672</u>	<u>-</u>
Total Illuminate:	1,596,895	1,296,506
Educate:		
IEEE Power & Energy Society Scholarship Program	574,965	740,171
IEEE REACH Program	294,800	254,100
Students and Young Professionals	<u>1,065,695</u>	<u>790,506</u>
Total Educate:	1,935,460	1,784,777
Engage:		
IEEE History Center support	299,656	371,753
Other Engage programs	<u>-</u>	<u>7,113</u>
Total Engage:	299,656	378,866
Energize:		
Recognition of Innovation	1,311,477	1,312,746
Investing in Innovation	359,916	421,703
IEEE Eta Kappa Nu	<u>288,550</u>	<u>277,150</u>
Total Energize:	<u>1,959,943</u>	<u>2,011,599</u>
Total program services:	<u>\$ 5,791,954</u>	<u>\$ 5,471,748</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Foundation’s financial statements are presented in conformity with U.S. generally accepted accounting principles (“US GAAP”) and have been prepared on the accrual basis of accounting.

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (“ASU 2016-14”). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as “net assets without donor restrictions” and “net assets with donor restrictions”;
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;

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- Requiring that all not-for-profits present an analysis of expenses by function and nature in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

ASU 2016-14 is effective for the Foundation’s fiscal year beginning January 1, 2018, and the Foundation has applied the amendments retrospectively as required by the standard. A presentation of net assets as previously reported as of December 31, 2017 and 2016, and as required under ASU 2016-14 follows:

	December 31, 2017			Total
	As Previously Presented	Without Donor Restrictions	With Donor Restrictions	
Net assets:				
Unrestricted	\$ 16,792,225	\$ 16,792,225	\$ -	\$ 16,792,225
Temporarily restricted	32,583,226	-	32,583,226	32,583,226
Permanently restricted	135,859	-	135,859	135,859
Total net assets	<u>\$ 49,511,310</u>	<u>\$ 16,792,225</u>	<u>\$ 32,719,085</u>	<u>\$ 49,511,310</u>

	December 31, 2016			Total
	As Previously Presented	Without Donor Restrictions	With Donor Restrictions	
Net assets:				
Unrestricted	\$ 16,493,877	\$ 16,493,877	\$ -	\$ 16,493,877
Temporarily restricted	27,386,427	-	27,386,427	27,386,427
Permanently restricted	135,859	-	135,859	135,859
Total net assets	<u>\$ 44,016,163</u>	<u>\$ 16,493,877</u>	<u>\$ 27,522,286</u>	<u>\$ 44,016,163</u>

Net Asset Classifications

The Foundation’s net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction

Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Directors and management, for the Foundation to utilize in any of its programs or supporting services. Net assets without donor

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restrictions may be designated for specific purposes by the Foundation's Board of Directors or may be limited by legal requirements or contractual agreements with outside parties.

Net Assets With Donor Restriction

Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. A portion of the Foundation's net assets with donor restrictions is subject to donor-imposed restrictions that require the Foundation to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Another portion of net assets with donor restrictions stipulates that the corpus of the gifts be maintained in perpetuity, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash balances held in bank accounts and short-term investments held by the Foundation for operating use with original maturities of three months or less from the date of purchase. Included in cash and cash equivalents are amounts deposited in an IEEE concentration banking account in the amount of \$6,968,616 and \$7,879,050 at December 31, 2018 and 2017, respectively.

Investments

The Foundation's investments are invested almost entirely in the Institute's investment pool. The Foundation's assets held in the Institute's investment pool have a long-term investment horizon of approximately ten years. Realized gains and losses on sales of shares held in the pool are determined on an average cost basis. Purchases and sales of shares held in the pool are recorded on a trade-date basis.

The Foundation expanded its investments during 2018 by separately purchasing and holding, aside from the Institute's investment pool, a U.S Treasury bill as part of its portfolio. The treasury bill will mature during 2019.

Investments in limited partnerships that are not readily marketable are reported at fair value as determined by the respective investment manager as of the measurement date. Such valuations involve assumptions and methods that are reviewed by the Foundation and which have been concluded to be reasonable and appropriate. Because such investments are not readily marketable, their estimated fair value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material. However, the risk to the Foundation is limited to the amount of the Foundation's investment in each of the respective limited partnerships.

Fair Value Measurements

FASB Topic 820, under the FASB Accounting Standards Codification ("ASC") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

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Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the respective asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the reporting entity. The Foundation considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Contributions

Contributions, including solicited contributions received at the time of the IEEE annual member renewal process and unconditional promises to give, are reported as revenues in the period received. Conditional contributions are recorded as revenue when the conditions on which they depend have been substantially met. Unconditional promises to give in greater than one year are discounted to reflect the present value of future cash flows using a credit adjusted discount rate assigned in the year the respective pledge originates. Such discount rates on all contributions receivable ranged from 2.20% to 3.48% at December 31, 2018 and 2.06% to 2.89% at December 31, 2017. Discount rates assigned to individual pledges are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Because of the uncertainty surrounding the collection of certain pledges, the Foundation determines an allowance for doubtful accounts by specifically analyzing donor accounts, historical bad debts and current economic trends. These allowances are maintained at a level management considers adequate to provide for potential uncollectible accounts. Further, these estimates are reviewed periodically and adjusted as more information about the ultimate collectability of a respective pledge becomes available. The Foundation writes off any amounts that are no longer considered to be recoverable, and any payments subsequently received on such receivables are recorded as income in the period received.

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Contributed Services

Contributed services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and typically would need to be purchased if not otherwise provided by donation. Contributed services are recorded at the fair value of the services provided and are recorded on the statement of activities as revenues with an offset to the relevant functional expense benefitted in the period received. See also Note 10.

Beneficial Interest in Trust

The Foundation has a beneficial interest in a trust, which is administered by an independent financial institution. Under the terms of this trust, the Foundation has the irrevocable right to receive all of the income earned on the trust assets for the life of the trust and the balance of the trust assets upon dissolution of the trust. The Foundation does not control the assets held by the outside trust. The Foundation measures its beneficial interest in the trust at the fair value of the underlying investments held by the trust. The amount of the Foundation's beneficial interest in such trust is included in net assets with donor restrictions until such time as the provisions of the trust agreement allow the Foundation to receive the assets.

Receivables Due from IEEE

Amounts due from IEEE represent contributions restricted for the Foundation and collected by the Institute during the annual member renewal process.

Amounts Due to IEEE

Amounts due to IEEE represent expenses paid directly by IEEE on behalf of the Foundation.

Awards and Grants Payable

The Foundation recognizes a liability for grants to be paid in future periods when the Board of Directors approves such amounts unconditionally and the respective grantee is notified. Grants are payable as follows at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Less than one year	<u>\$ 2,371,927</u>	<u>\$ 2,515,264</u>
	<u>\$ 2,371,927</u>	<u>\$ 2,515,264</u>

For the years ended December 31, 2018 and 2017, the Foundation rescinded approximately \$7,894 and \$21,000, respectively, of grant commitments. As of December 31, 2018 and 2017, \$2,057,921 and \$2,078,875, respectively, of awards and grants payable are due to the Institute.

Income Taxes and Tax Status

The Foundation follows the provisions of ASC 740, *Income Taxes*. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

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The Foundation is qualified under Section 501(c)(3) of the Internal Revenue Code (“IRC”) as an organization exempt from federal income tax and applicable state income tax and is classified as other than a private foundation under Section 509(a)(1) of the IRC. Nevertheless, the Foundation may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. As of December 31, 2018 and 2017, management has determined that there are no uncertain tax positions that would require recognition or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the accompanying statements of activities and in more detail on the Statement of Functional Expenses. These expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly. Indirect expenses that benefit multiple functional areas are allocated based upon program attributes.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents and accrued expenses represent a reasonable estimate of their fair value due to their short-term nature or relative market liquidity. The carrying amounts of the Foundation’s investments approximate fair value. The fair value of the beneficial interests in trust is approximated by the Foundation’s share of the fair value of the underlying assets held by the trust as of the measurement date. The carrying value of contributions receivable is estimated based on the present value of expected future cash flows, and thus approximates fair value.

Risks and Uncertainties

The Foundation has substantially all of its investments held in the Institute’s investment pool which invests in several investment securities that are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect the amounts reported on the accompanying financial statements.

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation. Such reclassifications did not change total assets, liabilities or changes in net assets as reflected in the 2017 financial statements.

New Pronouncements

In June 2018, the FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and

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either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. For contributions received by the Foundation, this update is effective for the fiscal year beginning January 1, 2019. For contributions made, this update is effective for the fiscal year beginning January 1, 2020. The Foundation is currently evaluating the new guidance and has not determined the impact this standard may have on the financial statements nor decided upon the method of adoption.

Subsequent Events

The Foundation evaluated its December 31, 2018 financial statements for subsequent events through April 5, 2019, the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

3. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, at December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
IEEE Power & Energy Society Endowed Scholarship Program	\$ 1,383,496	\$ 2,000,000
IEEE Smart Village	238,258	403,823
IEEE PELS Humanitarian Outreach Fund	-	150,000
IEEE PELS Education and Future Workforce Fund	150,000	-
IEEE Foundation Fund	90,302	106,161
EPICS in IEEE	51,079	86,973
IEEE Power & Energy Society Scholarship Plus Program	49,603	63,166
Other	<u>470,326</u>	<u>557,012</u>
	2,433,064	3,367,135
Less: Discount for present value	<u>(10,953)</u>	<u>(20,855)</u>
Contributions receivable, net	<u>\$ 2,422,111</u>	<u>\$ 3,346,280</u>

As of December 31, 2018 and 2017, contributions receivables due in less than one year and between one and five years consist of the following:

	<u>2018</u>	<u>2017</u>
Less than one year	\$ 2,172,916	\$ 2,935,685
Between one and five years	<u>260,148</u>	<u>431,450</u>
	<u>\$ 2,433,064</u>	<u>\$ 3,367,135</u>

During 2018, the Foundation received notification of certain intentions to give. However, due to their conditional nature, such gifts have not been reflected on the accompanying financial statements.

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4. INVESTMENTS, AT FAIR VALUE

Investments, at fair value, at December 31, 2018 and 2017 consist of the following:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Limited partnership	\$ 100,000	\$ 85,805	\$ 100,000	\$ 85,805
U.S. Treasuries	799,956	799,222	-	-
Participation in the Institute's investment pool	25,695,321	34,842,742	25,115,183	37,140,485
	<u>\$ 26,595,277</u>	<u>\$ 35,727,769</u>	<u>\$ 25,215,183</u>	<u>\$ 37,226,290</u>

The Foundation's investments consist primarily of participation in the Institute's investment pool. The Institute's investment pool consists of publicly traded debt and equity securities which are recorded at fair value determined on the basis of quoted market prices (i.e., Level 1 inputs) and alternative investments (e.g., commingled funds) for which market values are not readily obtainable. The Institute follows guidance on measuring the fair value of alternative investments, which offers investors a practical expedient for measuring the fair value of investments in certain entities that calculate net asset value ("NAV"). Under this practical expedient, entities are permitted to use NAV without adjustment for certain investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

At December 31, 2018 and 2017, the fair value of the Institute's investment pool's investments were based 84% and 83% on Level 1 inputs and 16% and 17% using NAV as a practical expedient, respectively. The Foundation's participation in the Institute's investment pool is determined based on its pro rata ownership interest of the entire pool. The Foundation has the ability to redeem its investment within the Institute's investment pool based upon conditions outlined in the Investment Service Agreement between the Institute and the Foundation. Redemption requests for funds deposited up to 5% and greater than 5%, require 30 days notice and 90 days notice, respectively.

The fair value of the Foundation's investments in a limited partnership is measured at the liquidation value stated in the investment's prospectus. As of December 31, 2018 and December 31, 2017, there are no remaining unfunded commitments on this investment. The Foundation plans to liquidate its limited partnership investment during its next exit window, which may occur as late as 2028.

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The following tables prioritize the inputs used to measure and report the fair value of the Foundation's investments at December 31, 2018 and 2017, respectively:

	2018			
	Level 1	Level 2	Level 3	Total
Limited partnership	\$ -	\$ -	\$ 85,805	\$ 85,805
U.S. Treasuries	799,222	-	-	799,222
Participation in the Institute's investment pool	-	-	34,842,742	34,842,742
Total investments	<u>\$ 799,222</u>	<u>\$ -</u>	<u>\$ 34,928,547</u>	<u>\$ 35,727,769</u>

	2017			
	Level 1	Level 2	Level 3	Total
Limited partnership	\$ -	\$ -	\$ 85,805	\$ 85,805
Participation in the Institute's investment pool	-	-	37,140,485	37,140,485
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,226,290</u>	<u>\$ 37,226,290</u>

The tables below set forth a summary of changes in the fair value of the Foundation's Level 3 assets for the years ended December 31, 2018 and 2017.

	2018		
	Limited Partnership	Participation in the Institute's Investment Pool	Total
Balance, beginning of year	\$ 85,805	\$ 37,140,485	\$ 37,226,290
Purchases	-	899,521	899,521
Sales	-	(454,000)	(454,000)
Net realized and unrealized losses	-	(2,743,264)	(2,743,264)
Balance, end of year	<u>\$ 85,805</u>	<u>\$ 34,842,742</u>	<u>\$ 34,928,547</u>

	2017		
	Limited Partnership	Participation in the Institute's Investment Pool	Total
Balance, beginning of year	\$ 85,805	\$ 33,478,817	\$ 33,564,622
Purchases	-	794,847	794,847
Sales	-	(1,509,000)	(1,509,000)
Net realized and unrealized gains	-	4,375,821	4,375,821
Balance, end of year	<u>\$ 85,805</u>	<u>\$ 37,140,485</u>	<u>\$ 37,226,290</u>

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Net realized and unrealized (losses) gains are included within investment (losses) income on the accompanying statements of activities.

Investment (losses) income, net, for the years ended December 31, 2018 and 2017 consists of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends, net	\$ 1,043,570	\$ 882,063
Net realized gains	134,579	471,023
Net unrealized (losses) gains	<u>(2,878,608)</u>	<u>3,903,512</u>
Investment (losses) income, net	<u>\$ (1,700,459)</u>	<u>\$ 5,256,598</u>

Investment expenses, which are netted with interest and dividends, amounted to \$123,643 and \$130,107 in 2018 and 2017, respectively.

5. BENEFICIAL INTEREST IN TRUST

The Foundation is the sole beneficiary of a trust (the “Trust”) established by Alfred and Gertrude Goldsmith in 1988 with a financial institution. Under the terms of the Trust agreement, the Foundation shall receive the income of the Trust, which consists primarily of interest and dividends, on a quarterly basis, and the balance of the assets in the Trust in 2038.

As of December 31, 2018 and 2017, the Trust’s fair value totaled \$3,061,598 and \$3,311,271, respectively, and is classified as Level 3 within the fair value hierarchy. The table below sets forth a summary of the change in the fair value of the Foundation’s Level 3 beneficial interest in trust for the years ended December 31, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 3,311,271	\$ 2,900,450
Change in fair value of beneficial interest in trust	<u>(249,673)</u>	<u>410,821</u>
Balance, end of year	<u>\$ 3,061,598</u>	<u>\$ 3,311,271</u>

The change in fair value of beneficial interest in trust is reflected separately on the accompanying statements of activities.

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6. ASSETS HELD IN TRUST FOR OTHERS

During 2005, the Foundation was appointed the successor trustee of the Charles LeGeyt Fortescue Graduate Scholarship Fund (the “Trust Fund”). The Foundation is not a beneficiary of the Trust Fund and, accordingly, has recognized a liability for the amounts held. As of December 31, 2018 and 2017, the Trust Fund’s assets consist of the following:

	<u>2018</u>	<u>2017</u>
Participation in the Institute’s investment pool	\$ 367,538	\$ 413,706
Cash equivalents	<u>8,836</u>	<u>6,535</u>
	376,374	420,241
Less: Accrued expenses	<u>(2,642)</u>	<u>(2,189)</u>
Assets held in trust for others	<u>\$ 373,732</u>	<u>\$ 418,052</u>

The table below sets forth a summary of the change in the fair value of the Foundation’s Level 3 assets held in trust for others for the years ended December 31, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 413,706	\$ 374,232
Purchases	7,484	6,704
Withdrawals	(25,000)	(15,000)
Net realized and unrealized (depreciation) appreciation	<u>(28,652)</u>	<u>47,770</u>
Balance, end of year	<u>\$ 367,538</u>	<u>\$ 413,706</u>

The net realized and unrealized (depreciation) appreciation related to assets held for others has not been reflected on the accompanying statements of activities.

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7. NET ASSETS AND ENDOWMENT FUNDS

Net assets with donor restrictions are available for the following purposes at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Funds held for specific purposes:		
Awards	\$ 10,508,259	\$ 10,961,915
Educational	<u>18,718,919</u>	<u>18,213,269</u>
	29,227,178	29,175,184
Beneficial interest in trust - time restriction	3,061,598	3,311,271
Donor-restricted endowment funds, including accumulated unspent appreciation of \$89,129 and \$96,771 respectively	<u>224,988</u>	<u>232,630</u>
	<u>\$ 32,513,764</u>	<u>\$ 32,719,085</u>

Net assets with donor restrictions were released from restrictions by fulfillment of donor-imposed purpose restrictions or satisfaction of time restrictions for the years ended December 31, 2018 and 2017 as follows:

	<u>2018</u>	<u>2017</u>
Funds held for specific purposes:		
Awards	\$ 917,413	\$ 1,057,451
Educational	<u>2,704,639</u>	<u>2,235,254</u>
	<u>\$ 3,622,052</u>	<u>\$ 3,292,705</u>

Donor-imposed endowment net assets at December 31, 2018 and 2017 consist of assets that have been restricted by donors to be invested in perpetuity to provide a permanent source of income. The Foundation's endowment includes both donor-restricted endowment funds and a fund designated by the Board of Directors to function as an endowment (quasi-endowment). The purpose of the Foundation's quasi-endowment is to achieve a solid financial foundation for the IEEE History Center, which will enable it to plan rationally and execute effectively. See Note 2 for information regarding the IEEE History Center. The Foundation's donor-restricted endowment consists of five (5) individual funds established principally for awards.

On September 17, 2010, the State of New York passed the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). All not-for-profit organizations formed in New York must apply this law. The Foundation classifies as donor-restricted endowment net assets, unless otherwise stipulated by the donor: (a) the original value of gifts donated to its donor-restricted endowment, (b) the original value of subsequent gifts to its donor-restricted endowment and (c) accumulations to its donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

The remaining portion of the donor-restricted endowment fund includes the accumulated unspent earnings on the donor-restricted endowment funds that remains within net assets with donor restrictions until such amounts are appropriated for expenditure by the Foundation in a manner consistent with the uses, benefits,

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purposes and duration for which the endowment is established and the standard of prudence prescribed by NYPMIFA.

The Foundation utilized a 5% endowment spending rule rate for 2018 based on the prior three year fund balances with a one year lag. During 2018, the Foundation approved for existing endowments a phased reduction in spending from 5% to 4% by 2022. For all newly established endowments a 4% spending rule rate is effective immediately. No new endowments were established in 2018.

In accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate for expenditure or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return on endowment investments; general economic conditions; the possible effects of inflation and deflation; other resources of the Foundation; and the investment policy of the Foundation. The Foundation will continue to apply its endowment spending policy to all funds, even if underwater, if it is determined to be prudent.

The Foundation has adopted investment management and spending policies for endowment assets that support the objective of providing a sustainable and increasing level of endowment income distribution to support the Foundation's activities while seeking to maintain the purchasing power of the endowment assets. The Foundation's primary investment objective is preservation of capital with the secondary objective of maximizing the total returns on investment assets.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy, the objective of which is to achieve a return consisting of a combination of current income (interest and dividends) and capital appreciation, without regard to an emphasis on either, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. The endowment portfolio is diversified among various investment classes and strategies to help reduce risk.

The following tables summarize the Foundation's total return on endowment investments and the changes in endowment net assets for the years ended December 31, 2018 and 2017, respectively:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 224,988	\$ 224,988
Board-designated endowment fund	3,335,435	-	3,335,435
Total endowment assets	<u>\$ 3,335,435</u>	<u>\$ 224,988</u>	<u>\$ 3,560,423</u>
Endowment assets, beginning of year	\$ 3,700,394	\$ 232,630	\$ 3,933,024
Dividends and interest	95,376	6,121	101,497
Net realized and unrealized depreciation in fair value of endowment assets	(246,955)	(16,056)	(263,011)
New gifts - designated for endowment	5,475	10,000	15,475
Endowment return used for operations	(218,855)	(7,707)	(226,562)
Endowment assets, end of year	<u>\$ 3,335,435</u>	<u>\$ 224,988</u>	<u>\$ 3,560,423</u>

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	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 232,630	\$ 232,630
Board-designated endowment fund	3,700,394	-	3,700,394
Total endowment assets	<u>\$ 3,700,394</u>	<u>\$ 232,630</u>	<u>\$ 3,933,024</u>
Endowment assets, beginning of year	\$ 3,407,517	\$ 206,461	\$ 3,613,978
Dividends and interest	88,965	5,441	94,406
Net realized and unrealized appreciation in fair value of endowment assets	418,949	25,388	444,337
New gifts - designated for endowment	5,975	-	5,975
Endowment return used for operations	(221,012)	(4,660)	(225,672)
Endowment assets, end of year	<u>\$ 3,700,394</u>	<u>\$ 232,630</u>	<u>\$ 3,933,024</u>

8. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation is primarily supported by contributions (both with and without donor restrictions) and IEEE support. Because donor restrictions require resources to be used in a particular matter, the Foundation maintains sufficient resources to meet those responsibilities to its donors. The Foundation primarily invests its financial assets within the IEEE Concentration Banking program and the IEEE Long Term Investment Fund program. The assets held in the IEEE Concentration Banking program have immediate liquidity availability and the IEEE Long Term Investment Fund has a liquidity window of between 30 days and 90 days depending upon the amount of shares being requested to be liquidated. The Foundation also holds U.S. Treasury Bills that can be sold prior to maturity. The Foundation holds U.S. Treasuries that fully mature prior to the end of 2019. At least annually, the IEEE Foundation performs a review of projected obligations to determine the appropriate level of liquidity and resulting rebalancing of assets.

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The Foundation's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial Assets as of December 31, 2018

Cash and cash equivalents	\$ 7,635,766
Amounts due from IEEE	237,368
Contributions receivable	2,172,916
Investments, at fair value	35,641,964
Assets held in trust for others	<u>373,732</u>
Total financial assets available within one year	<u>46,061,746</u>
Less:	
Contractual, legal or donor-imposed restrictions:	
Amounts subject to expenditure for specified purposes	28,977,983
Amounts relating to endowment funds with donor restrictions	224,988
Amounts held in trust for others	<u>373,732</u>
Total amounts unavailable for general expenditures within one year	<u>29,576,703</u>
Board designated endowment fund:	<u>3,335,435</u>
Total amounts unavailable for management without Board approval	<u>3,335,435</u>
Total financial assets available within one year after Board designations	<u>\$ 13,149,608</u>

9. CONTINGENCIES

The Foundation, in the normal course of its operations, could be a party to various legal proceedings and complaints, some of which would be covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management of the Foundation is not aware of any claims or contingencies which, if asserted, would not be covered by insurance and would have a material adverse effect on the Foundation's financial position, changes in net assets or cash flows.

10. RELATED-PARTY TRANSACTIONS

The Foundation is organized and operates in support of activities of the scientific and educational functions and programs of IEEE. The Foundation has no staff and thus, receives certain accounting, administrative services, and program services from IEEE. The Foundation reimbursed IEEE for the cost of such services, which amounted to \$790,848 and \$773,100 during 2018 and 2017, respectively. The Institute provided fundraising administrative services (contributed services) during 2018 and 2017 that were not reimbursed by the Foundation. Such contributed services recorded by the Foundation totaled \$1,273,324 and \$1,256,490 during 2018 and 2017, respectively.

The Foundation received annual cash contributions from IEEE in the amounts of \$395,000 and \$382,000 during 2018 and 2017, respectively. Such contributions were included within net assets without donor restrictions as of December 31, 2018 and 2017, respectively.

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During 2018, the Institute also contributed an additional \$1,383,496 for the Power and Energy Society Endowed Scholarship Fund, \$250,000 for the IEEE Photonics Society Fund, and \$150,000 for the IEEE Power Electronics Society Education and Future Workforce Fund. During 2017, the Institute contributed an additional \$2,000,000 for the Power and Energy Society Endowed Scholarship Fund, \$150,000 for the IEEE PELS Humanitarian Outreach Fund, and \$100,000 for the IEEE Photonics Society Fund. Such contributions were included within net assets with donor restrictions as of December 31, 2018 and 2017, respectively.

The Institute solicits contributions on behalf of the Foundation through its annual member renewal process, which totaled \$627,427 and \$603,968 in 2018 and 2017, respectively.