

**IEEE FOUNDATION, INCORPORATED**  
Piscataway, New Jersey

**FINANCIAL STATEMENTS**  
December 31, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
IEEE Foundation, Incorporated  
Piscataway, New Jersey

**Opinion**

We have audited the financial statements of IEEE Foundation, Incorporated (the "Foundation"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

  
Crowe LLP

New York, New York  
April 22, 2024

IEEE FOUNDATION, INCORPORATED  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 17,789,527	\$ 17,182,672
Amounts due from IEEE	157,076	224,691
Contributions receivable, net	3,249,439	2,583,634
Prepaid expenses and other assets	113,738	92,539
Investments	50,914,560	44,653,482
Beneficial interest in trust	3,925,173	3,491,590
Amounts held in trust for others	<u>385,466</u>	<u>364,577</u>
 Total assets	 <u>\$ 76,534,979</u>	 <u>\$ 68,593,185</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accrued expenses	\$ 234,792	\$ 204,497
Awards and grants payable	1,579,131	1,549,268
Amounts due to IEEE	137,908	76,908
Amounts held in trust for others	<u>385,466</u>	<u>364,578</u>
Total liabilities	2,337,297	2,195,251
Contingencies		
Net assets		
Without donor restrictions		
Operating	14,201,159	13,048,090
Board-designated	<u>4,876,418</u>	<u>3,604,179</u>
Total net assets without donor restrictions	19,077,577	16,652,269
With donor restrictions	<u>55,120,105</u>	<u>49,745,665</u>
Total net assets	<u>74,197,682</u>	<u>66,397,934</u>
 Total liabilities and net assets	 <u>\$ 76,534,979</u>	 <u>\$ 68,593,185</u>

See accompanying notes to financial statements.

IEEE FOUNDATION, INCORPORATED  
STATEMENT OF ACTIVITIES  
Year ended December 31, 2023 (with comparative total for 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
<b>Revenues</b>				
Contributions of cash and other financial assets	\$ 1,588,610	\$ 6,435,933	\$ 8,024,543	\$ 8,282,380
Contributions of nonfinancial assets	1,603,389	-	1,603,389	1,483,717
Change in fair value of beneficial interest in trust	-	433,583	433,583	(1,053,234)
Investment gains (losses), net	2,103,213	4,052,103	6,155,316	(6,221,033)
Net assets released from restrictions	<u>5,547,179</u>	<u>(5,547,179)</u>	<u>-</u>	<u>-</u>
Total revenues	10,842,391	5,374,440	16,216,831	2,491,830
<b>Expenses</b>				
Program services				
Illuminate	1,410,748	-	1,410,748	1,072,586
Educate	1,437,471	-	1,437,471	1,131,920
Engage	335,041	-	335,041	397,781
Energize	<u>2,373,787</u>	<u>-</u>	<u>2,373,787</u>	<u>1,990,396</u>
Total program services	5,557,047	-	5,557,047	4,592,683
Supporting services				
Administrative	1,029,493	-	1,029,493	996,598
Fundraising activities	<u>1,830,543</u>	<u>-</u>	<u>1,830,543</u>	<u>1,598,056</u>
Total supporting services	2,860,036	-	2,860,036	2,594,654
Total expenses	<u>8,417,083</u>	<u>-</u>	<u>8,417,083</u>	<u>7,187,337</u>
<b>Change in net assets</b>	2,425,308	5,374,440	7,799,748	(4,695,507)
Net assets, beginning of year	<u>16,652,269</u>	<u>49,745,665</u>	<u>66,397,934</u>	<u>71,093,441</u>
<b>Net assets, end of the year</b>	<u>\$ 19,077,577</u>	<u>\$ 55,120,105</u>	<u>\$ 74,197,682</u>	<u>\$ 66,397,934</u>

See accompanying notes to financial statements.

IEEE FOUNDATION, INCORPORATED  
STATEMENT OF ACTIVITIES  
Year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Contributions of cash and other financial assets	\$ 1,412,480	\$ 6,869,900	\$ 8,282,380
Contributions of nonfinancial assets	1,483,717	-	1,483,717
Change in fair value of beneficial interest in trust	-	(1,053,234)	(1,053,234)
Investment losses, net	(2,110,040)	(4,110,993)	(6,221,033)
Net assets released from restrictions	3,849,916	(3,849,916)	-
Total revenues	<u>4,636,073</u>	<u>(2,144,243)</u>	<u>2,491,830</u>
<b>Expenses</b>			
Program services			
Illuminate	1,072,586	-	1,072,586
Educate	1,131,920	-	1,131,920
Engage	397,781	-	397,781
Energize	1,990,396	-	1,990,396
Total program services	<u>4,592,683</u>	<u>-</u>	<u>4,592,683</u>
Supporting services			
Administrative	996,598	-	996,598
Fundraising activities	1,598,056	-	1,598,056
Total supporting services	<u>2,594,654</u>	<u>-</u>	<u>2,594,654</u>
Total expenses	<u>7,187,337</u>	<u>-</u>	<u>7,187,337</u>
<b>Change in net assets</b>	(2,551,264)	(2,144,243)	(4,695,507)
Net assets, beginning of year	<u>19,203,533</u>	<u>51,889,908</u>	<u>71,093,441</u>
<b>Net assets, end of the year</b>	<u>\$ 16,652,269</u>	<u>\$ 49,745,665</u>	<u>\$ 66,397,934</u>

See accompanying notes to financial statements.

IEEE FOUNDATION, INCORPORATED  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended December 31, 2023

	Program Services					Supporting Services			Total Expenses
	<u>Illuminate</u>	<u>Educate</u>	<u>Engage</u>	<u>Energize</u>	<u>Total</u>	<u>Administrative</u>	<u>Fundraising Activities</u>	<u>Total</u>	
Grants	\$ 1,410,748	\$ 700,739	\$ 334,849	\$ 574,713	\$ 3,021,049	\$ -	\$ -	\$ -	\$ 3,021,049
Recognition awards	-	-	-	844,784	844,784	-	-	-	844,784
Medals and certificated	-	69,392	192	689,223	758,807	-	-	-	758,807
Scholarships and fellowships	-	546,350	-	-	546,350	-	-	-	546,350
Student meetings and related travel	-	120,990	-	35,996	156,986	-	-	-	156,986
Print and mailings	-	-	-	71,632	71,632	-	-	-	71,632
IEEE contract support:									
IEEE professional staff services	-	-	-	135,697	135,697	721,966	-	721,966	857,663
Rent	-	-	-	6,598	6,598	35,104	-	35,104	41,702
Professional fees	-	-	-	-	-	48,300	-	48,300	48,300
Office equipment	-	-	-	4,288	4,288	22,812	-	22,812	27,100
Contract-other charges	-	-	-	10,856	10,856	57,753	-	57,753	68,609
Total IEEE contract support	-	-	-	157,439	157,439	885,935	-	885,935	1,043,374
Travel and meetings	-	-	-	-	-	96,148	-	96,148	96,148
Other	-	-	-	-	-	47,410	-	47,410	47,410
Fundraising:									
Contributed services	-	-	-	-	-	-	1,603,389	1,603,389	1,603,389
Other fundraising	-	-	-	-	-	-	227,154	227,154	227,154
<b>Total expenses</b>	<b>\$ 1,410,748</b>	<b>\$ 1,437,471</b>	<b>\$ 335,041</b>	<b>\$ 2,373,787</b>	<b>\$ 5,557,047</b>	<b>\$ 1,029,493</b>	<b>\$ 1,830,543</b>	<b>\$ 2,860,036</b>	<b>\$ 8,417,083</b>

See accompanying notes to financial statements.



IEEE FOUNDATION, INCORPORATED  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended December 31, 2022

	Program Services					Supporting Services			Total Expenses
	<u>Illuminate</u>	<u>Educate</u>	<u>Engage</u>	<u>Energize</u>	<u>Total</u>	<u>Administrative</u>	<u>Fundraising Activities</u>	<u>Total</u>	
Grants	\$ 1,072,586	\$ 596,808	\$ 396,236	\$ 309,342	\$ 2,374,972	\$ -	\$ -	\$ -	\$ 2,374,972
Recognition awards	-	-	-	800,244	800,244	-	-	-	800,244
Medals and certificated	-	11,703	-	651,896	663,599	-	-	-	663,599
Scholarships and fellowships	-	494,469	-	-	494,469	-	-	-	494,469
Student meetings and related travel	-	28,940	1,545	21,622	52,107	-	-	-	52,107
Print and mailings	-	-	-	57,315	57,315	-	-	-	57,315
IEEE contract support:									
IEEE professional staff services	-	-	-	129,834	129,834	692,974	-	692,974	822,808
Rent	-	-	-	5,716	5,716	30,507	-	30,507	36,223
Professional fees	-	-	-	-	-	56,000	-	56,000	56,000
Office equipment	-	-	-	4,040	4,040	21,560	-	21,560	25,600
Contract-other charges	-	-	-	10,387	10,387	55,438	-	55,438	65,825
Total IEEE contract support	-	-	-	149,977	149,977	856,479	-	856,479	1,006,456
Travel and meetings	-	-	-	-	-	80,014	-	80,014	80,014
Other	-	-	-	-	-	60,105	114,339	174,444	174,444
Fundraising:									
Contributed services	-	-	-	-	-	-	1,483,717	1,483,717	1,483,717
<b>Total expenses</b>	<b>\$ 1,072,586</b>	<b>\$ 1,131,920</b>	<b>\$ 397,781</b>	<b>\$ 1,990,396</b>	<b>\$ 4,592,683</b>	<b>\$ 996,598</b>	<b>\$ 1,598,056</b>	<b>\$ 2,594,654</b>	<b>\$ 7,187,337</b>

See accompanying notes to financial statements.

IEEE FOUNDATION, INCORPORATED  
STATEMENTS OF CASH FLOWS  
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 7,799,748	\$ (4,695,507)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Net realized and unrealized (gains) losses from investments	(4,227,994)	7,502,764
Change in fair value of beneficial interest in trust	(433,583)	1,053,234
Donated stock	(44,995)	(35,354)
Changes in assets and liabilities		
Amounts due from IEEE	67,615	39,920
Contributions receivable, net	(665,805)	40,802
Prepaid expenses and other assets	(21,199)	(14,429)
Amounts held in trust for others	(20,889)	68,574
Accrued expenses	30,295	93,860
Awards and grants payable	29,863	894,675
Amounts due to IEEE	61,000	(34,236)
Amounts held in trust for others	20,888	(68,573)
Net cash provided by operating activities	<u>2,594,944</u>	<u>4,845,730</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	1,558,115	-
Proceeds from sale of donated stock	45,025	34,510
Purchase of investments	<u>(3,591,229)</u>	<u>(2,495,624)</u>
Net cash used in investing activities	<u>(1,988,089)</u>	<u>(2,461,114)</u>
<b>Net increase in cash and cash equivalents</b>	606,855	2,384,616
Cash and cash equivalents at beginning of year	<u>17,182,672</u>	<u>14,798,056</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 17,789,527</u>	<u>\$ 17,182,672</u>
<b>Supplemental disclosures of non-cash operating activities</b>		
Donated stock	<u>\$ 44,995</u>	<u>\$ 35,354</u>

See accompanying notes to financial statements.

**NOTE 1 – IEEE FOUNDATION, INCORPORATED**

Established in 1973, the 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 inspires an engaged community and leverages the generosity of donors to enable IEEE programs that enhance technology access, literacy, and education and supports the IEEE professional community.

The Foundation inspires an engaged community and leverages the generosity of donors to enable IEEE programs that enhance technology access, literacy, and education and supports the IEEE professional community.

During 2023, and to hone its focus and drive to ever greater heights, the Foundation Board of Directors adopted an updated vision and mission statements that is effective on January 1, 2024.

Program Pillars:

The Foundation represents a practical and impactful implementation of its principles through hundreds of IEEE donor-support programs including grants, scholarships, fellowships, residencies, and awards that we categorize across five program pillars: Illuminate, Educate, Engage, Energize, and Future.

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

*Technology is a propelling force that makes it possible to act. It allows us to ask previously unimaginable questions and find solutions to unsolved problems. Programs categorized in the Illuminate pillar include:*

IEEE Smart Village: IEEE Smart Village (“ISV”) has a unique approach to support the world’s energy-impoverished communities by providing a comprehensive solution combining renewable energy, community-based education, and entrepreneurial opportunities. ISV offers mentorship, educational opportunities, and seed funding in regions of the world where such support is scarce.

In 2023, ISV improved the health, education, and well-being of communities in ten countries through seed funding of 14 local enterprises.

EPICS in IEEE: Engineering Projects in Community Service (“EPICS”) connects engineering students to community service. It provides students with a platform to work with engineering professionals and community organizations to develop solutions that transform communities across the globe. Project funding is awarded to IEEE student groups enabling them to use their newly acquired technical acumen to envision, develop, and install technology solutions IN communities FOR communities.

In 2023 EPICS in IEEE invested in 39 service-learning projects engaging 800 students around the world to make an impact in their communities.

Other Illuminate Programs: Donations to IEEE Foundation enable a wide array of other humanitarian initiatives that help meet the world’s most pressing challenges. These programs include IEEE Mobile Outreach Vehicle (MOVE), which deploys teams in the wake natural disasters in the United States to deliver access to computers, communications and power solutions and Empower a Billion Lives, a global competition designed to develop scalable solutions to energy poverty.

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**NOTE 1 – IEEE FOUNDATION, INCORPORATED (Continued)**

In 2023, MOVE volunteers worked onsite for 31 days in the wake of three natural disasters and EBL welcomed 25 teams to its second global competition finals where *Team Nanoe* from Madagascar was selected as the grand prize winner for its project ‘Lateral Electrification’, an innovative electrification model for Africa using nanogrids.

**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. Programs categorized in the Educate pillar include:*

IEEE Power & Energy Society Scholarship Plus Initiative: IEEE Power & Energy Society (“PES”) Scholarship Plus 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 2023, PES selected 82 high-achieving undergraduate electrical engineering students from 58 universities across the United States and Canada as the 2023-24 class of IEEE PES Scholars bringing the total number of scholarships awarded through the IEEE Power & Energy Scholarship Plus Initiative since 2011 to 2,038.

Students and Young Professionals: The process of inspiring bright minds demands the creation opportunities and the cultivation socially responsible technology professionals. IEEE is uniquely positioned to empower bright young minds and encourage the next generation of innovators through the expansive collection of scholarships, fellowships and grants to attend IEEE conferences as well as educational programs that promote science, technology, engineering and mathematics. In 2023, the following program impacts were achieved:

Hundreds of university students received support through competitions and technical summer schools as well as named scholarships, fellowships, and travel grants.

Science Kits for Public Libraries (SKPL) supported the addition of STEM kits to the circulation of 13 libraries located in IEEE Region 4 and refreshed the STEM kits in the 80 Chicago Library branches. SKPL was awarded the 2023 IEEE EAB Meritorious Achievement Award in Outreach and Informal Education in celebration of its incredible impact on young people.

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

*The pace of technological advancement is accelerating. Driving a greater understanding of how science and technology impacts society enables us to value the past, meet the needs of today, and create the world of tomorrow. Programs categorized in the Engage pillar include:*

IEEE History Center: Preserving and promoting the history of technology, the profession and IEEE to enlighten the future is a privilege that the IEEE History Center takes very seriously. The Center maintains many useful resources for engineers, for historians of technology and for anyone interested in the development of electrical and computer engineering and their role in modern society.

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**NOTE 1 – IEEE FOUNDATION, INCORPORATED (Continued)**

Through its targeted programs, the following accomplishments were realized during 2023:

Twelve IEEE Milestones were dedicated honoring technological achievements in 6 countries within four IEEE Regions. These achievements spanned 17 decades from 1820 to 1989 and incorporated almost every IEEE field of interest including electrical science, communication, computing and electronic materials. Two exhibits were piloted as part of the new IEEE Global Museum initiative at several IEEE events, including one featuring Edwin H. Armstrong, the first IEEE Medal of Honor winner.

The memories of prominent technologists were preserved through the IEEE History Center's Oral Histories program, which celebrated its 55th Anniversary in 2023. Among the newest interviewees are IEEE Fellows and donors Andrea Goldsmith, John Impagliazzo, José M. F. Moura and Arogyaswami Paulraj.

Other Engage Programs: The Other Engage Programs made possible during 2023 included Maxwell at Glenlair, which supports the preservation of James Clerk Maxwell's ancestral home.

**Energize - innovation by celebrating technological excellence.**

*Technological innovation pushes the boundaries of thinking, breaks new ground, and improves lives. Programs categorized in the Energize pillar include:*

Recognition of Innovation: For more than 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.

In 2023, in addition to hundreds of peer to peer recognitions presented through IEEE's organizational units, twenty-four 2023 IEEE Medal and Recognition recipients were honored for their groundbreaking technological advances during the IEEE Vision, Innovation, and Challenges Summit & Honors Ceremony held in Atlanta, GA, United States.

Investing in Innovation: The Foundation manages funds that support IEEE grassroots projects of strategic importance and provides the critical resources to monitor the impact and effectiveness of those donor-supported programs. These include the eight grants supported by the IEEE Foundation Fund during 2023 aimed at driving engagement and participation of students, young professionals and the IEEE community.

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 members carry with them the distinction of superior scholarship, attitude, and character. In 2023, HKN reached around the world to serve its community. Accomplishments include:

Engagement of 300+ of its student members representing 55 HKN Chapters during the IEEE-HKN Student Leadership Conference held at the University of Houston, which featured 28 professional development sessions, collaboration-building regional meetings, skill-building workshops, and chapter-fortifying exchanges plus a sold-out Recruitment Fair.

Awarding of HKN Chapter Support Grants to 24 Chapters allowing them to enhance the HKN Chapter experience and serve the communities around them.

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IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 1 – IEEE FOUNDATION, INCORPORATED (Continued)**

**Future - looks beyond our lifetime to shape the destiny of future generations.**

*Ensuring future generations have sufficient and appropriate educational and inspirational programs and services to lay the foundation now, establishing the future we envision and desire.*

Future is the newest pillar introduced by the IEEE Foundation in celebration of its 50<sup>th</sup> Anniversary during 2023. This fifth pillar, Future, aims to provide inspirational and foundational programs for upcoming generations. It seeks to ensure these generations have sufficient services to lay the foundation now, establishing the future we envision and desire. Programs and initiatives matching these ideals will be announced in the coming years.

Program services- related expenses are comprised of the following:

	<u>2023</u>	<u>2022</u>
Illuminate:		
IEEE Smart Village	\$ 495,300	\$ 352,107
EPICS in IEEE	146,480	127,279
Other Illuminate programs	768,968	593,200
Total Illuminate	1,410,748	1,072,586
Educate:		
IEEE Power & Energy Society Scholarship Plus Initiative	273,427	244,710
IEEE REACH Program	-	53,264
Students and Young Professionals	1,164,044	833,946
Total Educate	1,437,471	1,131,920
Engage:		
IEEE History Center Support	334,849	291,518
Other Engage Programs	192	106,263
Total Engage	335,041	397,781
Energize:		
Recognition of Innovation	1,640,913	1,491,514
Investing in Innovation	390,801	246,112
IEEE-Eta Kappa Nu Fund Support	342,073	252,770
Total Energize	2,373,787	1,990,396
Total program services	\$ 5,557,047	\$ 4,592,683

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## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The Foundation's financial statements are presented in accordance with accounting standards generally accepted in the United States of America ("U.S. GAAP") and have been prepared on the accrual basis of accounting.

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:

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 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.

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 \$15,460,300 and \$10,667,900 at December 31, 2023 and 2022, 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 10 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. Donated investments are recorded at the fair value at the date of receipt.

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: The Foundation follows guidance that 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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(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 includes 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: The Foundation recognizes revenue from contributions in accordance with guidance requiring the Foundation to evaluate whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Foundation applies guidance for exchange transactions. If the transfer of assets is determined to be a contribution, the Foundation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Foundation is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

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 1.13% to 5.79% at December 31, 2023 and 1.13% to 5.41% at December 31, 2022. 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.

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(Continued)



IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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. For the years ended December 31, 2023 and 2022, the Foundation has not recorded any bad debts expenses.

Investment earnings derived from donations made to the Foundation are reinvested for the purpose(s) that the donation was originally made unless otherwise stated by donor's intent and are reflected within investment gains (losses) of the statements of activities in the corresponding net asset category.

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 follow at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 1,579,131	\$ 1,549,268

For the years ended December 31, 2023 and 2022, the Foundation rescinded \$0 of grant commitments. As of December 31, 2023 and 2022, \$1,528,495 and \$1,505,044, respectively, of awards and grants payable are due to the Institute.

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(Continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Income Taxes and Tax Status: The Foundation follows guidance that 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.

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, 2023 and 2022, 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 statements of activities and in more detail on the statements 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.

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 U.S. 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.

Subsequent Events: The Foundation evaluated its December 31, 2023 financial statements for subsequent events through April 22, 2024, the date the financial statements were available to be issued.

The Foundation is not aware of material subsequent events which would require recognition or disclosure in the accompanying financial statements.

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(Continued)

IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 3 – CONTRIBUTIONS RECEIVABLE, NET**

Contributions receivable, net, at December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
IEEE Power & Energy Society General Fund	\$ 297,746	\$ 527,290
IEEE James Meindl Fund	-	50,243
IEEE Power & Energy Society Scholarship Plus Prog G&W Reg 2&4	-	25,000
IEEE Power & Energy Society Scholarship Plus Prog A Sahazizian Schlshp	60,000	90,000
IEEE Signal Processing Student & Young Professional Fund	-	300,000
IEEE Smart Village	8,855	17,108
IEEE PELS Humanitarian and Outreach Fund	-	177,691
IEEE Foundation Fund	-	170,793
EPICS in IEEE	70,050	30,019
IEEE Educational Activities Fund	-	75,121
IEEE CAS Society Fund	-	159,500
IEEE DEIS Graduate Fellowship Fund	-	284,000
IEEE Humanitarian Technology Fund	-	263,438
IEEE PES India Narain Hingorani Awards Fund	-	100,000
IEEE Rao Tummula Award Fund	25,971	-
IEEE James Maxwell Medal Fund	25,000	-
IEEE USA Community Outreach Fund (MOVE)	55,486	-
IEEE EMCS Herbert K Mertel YP Award Fund	20,000	-
IEEE Women in Engineering Fund	150	-
IEEE TryEngineering Fund	45,050	-
IEEE Life Member Fund	1,145	-
IEEE Robert Bosch Micro and Nano Electro Mechanical System Award Fund	25,000	-
IEEE PELS Milan M Jovanovic Awards Fund	90,000	-
IEEE HKN Chapter Support Fund	20,000	-
Other	<u>2,567,253</u>	<u>335,318</u>
	<u>3,311,706</u>	<u>2,605,521</u>
Less: discount for present value	<u>(62,267)</u>	<u>(21,887)</u>
Contributions receivable, net	<u>\$ 3,249,439</u>	<u>\$ 2,583,634</u>

(Continued)

IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 3 – CONTRIBUTIONS RECEIVABLE, NET** (Continued)

Contributions receivable as of December 31, 2023 and 2022 are expected to be collected as follows:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 3,052,706	\$ 2,163,121
One - five years	186,500	433,900
Greater than five years	<u>72,500</u>	<u>8,500</u>
	<u>\$ 3,311,706</u>	<u>\$ 2,605,521</u>

During 2023 and 2022, the Foundation received notification of certain intentions to give, which included various bequests, the realizable amounts of which are not presently determinable. Due to their conditional nature, such gifts have not been reflected on the accompanying financial statements. Additionally, the Foundation's share of bequests is only recorded when the Foundation has an established right to the bequest and the proceeds are measurable.

**NOTE 4 – INVESTMENTS, AT FAIR VALUE**

Investments, at fair value, at December 31, 2023 and 2022 consist of the following:

	2023		2022	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Limited partnership	\$ 100,000	\$ 85,805	\$ 100,000	\$ 85,805
U.S. Treasuries	1,561,342	1,568,241	1,499,974	1,496,894
Participation in the Institute's investment pool	<u>29,254,352</u>	<u>49,260,514</u>	<u>27,282,663</u>	<u>43,070,783</u>
Total investments	<u>\$ 30,915,694</u>	<u>\$ 50,914,560</u>	<u>\$ 28,882,637</u>	<u>\$ 44,653,482</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.

(Continued)

IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 4 – INVESTMENTS, AT FAIR VALUE (Continued)**

At December 31, 2023 and 2022, the fair value of the Institute’s investment pool’s investments was based 90% and 87% on Level 1 inputs and 10% and 13% 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, 2023 and 2022, 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.

The following tables prioritize the inputs used to measure and report the fair value of the Foundation’s investments at December 31, 2023 and 2022:

	December 31, 2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Limited partnership	\$ -	\$ -	\$ 85,805	\$ 85,805
U.S. Treasuries	1,568,241	-	-	1,568,241
Participation in the Institute's investment pool	-	-	49,260,514	49,260,514
	-	-	49,260,514	49,260,514
Total investments	\$ 1,568,241	\$ -	\$ 49,346,319	\$ 50,914,560
	December 31, 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Limited partnership	\$ -	\$ -	\$ 85,805	\$ 85,805
U.S. Treasuries	1,496,894	-	-	1,496,894
Participation in the Institute's investment pool	-	-	43,070,783	43,070,783
	-	-	43,070,783	43,070,783
Total investments	\$ 1,496,894	\$ -	\$ 43,156,588	\$ 44,653,482

(Continued)

IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 4 – INVESTMENTS, AT FAIR VALUE** (Continued)

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:

	2023		
	Limited Partnership	Participation in the Institute's Investment Pool	Total
Balance, beginning of the year	\$ 85,805	\$ 43,070,783	\$ 43,156,588
Purchases	-	1,964,786	1,964,786
Sales	-	-	-
Net realized and unrealized gains	-	4,224,945	4,224,945
	<u>\$ 85,805</u>	<u>\$ 49,260,514</u>	<u>\$ 49,346,319</u>

	2022		
	Limited Partnership	Participation in the Institute's Investment Pool	Total
Balance, beginning of the year	\$ 85,805	\$ 49,573,973	\$ 49,659,778
Purchases	-	996,494	996,494
Sales	-	-	-
Net realized and unrealized losses	-	(7,499,684)	(7,499,684)
	<u>\$ 85,805</u>	<u>\$ 43,070,783</u>	<u>\$ 43,156,588</u>

Interest and dividends and realized and unrealized gains and losses on investments are comprised of the following for the years ended December 31:

	2023	2022
Interest and dividends on investments	\$ 1,927,322	\$ 1,281,731
Net realized gain (loss) on investments	3,049	(843)
Net unrealized gain (loss) on investments	4,224,945	(7,501,921)
Total realized and unrealized gain (loss) on investments	<u>4,227,994</u>	<u>(7,502,764)</u>
Total investment gains (losses)	<u>\$ 6,155,316</u>	<u>\$ (6,221,033)</u>

(Continued)

IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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**NOTE 4 – INVESTMENTS, AT FAIR VALUE (Continued)**

Net realized and unrealized gains (losses) are included within investment gains (losses), net on the accompanying statements of activities. Investment gains (losses), net, for the years ended December 31, 2023 and 2022 include investment expenses, which are netted with interest and dividends and amounted to \$81,691 and \$87,055 in 2023 and 2022, respectively.

**NOTE 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, 2023 and 2022, the Trust’s fair value totaled \$3,925,173 and \$3,491,590, 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, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 3,491,590	\$ 4,544,824
Change in fair value of beneficial interest in trust	<u>433,583</u>	<u>(1,053,234)</u>
Balance, end of year	<u>\$ 3,925,173</u>	<u>\$ 3,491,590</u>

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

**NOTE 6 – AMOUNTS 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, 2023 and 2022, the Trust Fund’s assets consist of the following:

	<u>2023</u>	<u>2022</u>
Participation in the Institute's investment pool	\$ 372,494	\$ 354,684
Cash equivalents	<u>15,721</u>	<u>13,069</u>
	388,215	367,753
Less: accrued expenses	<u>(2,749)</u>	<u>(3,176)</u>
	<u>\$ 385,466</u>	<u>\$ 364,577</u>

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(Continued)

IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 6 – AMOUNTS HELD IN TRUST FOR OTHERS** (Continued)

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, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 364,577	\$ 420,999
Purchases	8,090	6,412
Withdrawals	(24,000)	(25,000)
Net realized and unrealized appreciation (accretion)	<u>36,799</u>	<u>(37,834)</u>
Balance, end of year	<u>\$ 385,466</u>	<u>\$ 364,577</u>

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

**NOTE 7 – NET ASSETS AND ENDOWMENT FUNDS**

Net assets with donor restrictions are available for the following purposes at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Funds held for specific purposes:		
Awards	\$ 16,827,627	\$ 14,424,587
Educational	<u>34,060,227</u>	<u>31,545,743</u>
	50,887,854	45,970,330
Beneficial interest in trust - time restriction	3,925,173	3,491,590
Donor-restricted endowment funds, including accumulated unspent appreciation of \$171,219 and \$147,886, respectively	<u>307,078</u>	<u>283,745</u>
	<u>\$ 55,120,105</u>	<u>\$ 49,745,665</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, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Funds held for specific purposes:		
Awards	\$ 975,151	\$ 1,062,375
Educational	<u>4,572,028</u>	<u>2,787,541</u>
	<u>\$ 5,547,179</u>	<u>\$ 3,849,916</u>

(Continued)



**NOTE 7 – NET ASSETS AND ENDOWMENT FUNDS** (Continued)

Donor-imposed endowment net assets at December 31, 2023 and 2022 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 funds designated by the Board of Directors to function as an endowment (quasi-endowment). The purpose of the Foundation's quasi-endowments is to achieve a solid financial foundation for the IEEE History Center and IEEE Humanitarian Technologies Board, which will enable them to plan rationally and execute effectively. See Note 1 for information regarding the IEEE History Center and the IEEE Humanitarian Technologies Board. The Foundation's donor-restricted endowment consists of five 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, purposes and duration for which the endowment is established and the standard of prudence prescribed by NYPMIFA.

The Foundation's endowment spending for 2023 is 4.00%. Endowment spending is based on the prior three-year fund balances with a one-year lag.

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.

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(Continued)

IEEE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 7 – NET ASSETS AND ENDOWMENT FUNDS** (Continued)

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, 2023 and 2022, respectively:

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 307,078	\$ 307,078
Board-designated endowment funds	<u>4,876,418</u>	<u>-</u>	<u>4,876,418</u>
Total endowment funds	<u>\$ 4,876,418</u>	<u>\$ 307,078</u>	<u>\$ 5,183,496</u>
Endowment assets, beginning of year	\$ 3,604,179	\$ 283,745	\$ 3,887,924
Dividends and interest	119,925	7,268	127,193
Net realized and unrealized appreciation in fair value of endowment assets	347,920	20,687	368,607
New gifts-designated for endowment	5,000	-	5,000
Endowment return used for operations	<u>799,395</u>	<u>(4,619)</u>	<u>794,776</u>
Endowment assets, end of year	<u>\$ 4,876,418</u>	<u>\$ 307,078</u>	<u>\$ 5,183,496</u>
	December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 283,745	\$ 283,745
Board-designated endowment funds	<u>3,604,179</u>	<u>-</u>	<u>3,604,179</u>
Total endowment funds	<u>\$ 3,604,179</u>	<u>\$ 283,745</u>	<u>\$ 3,887,924</u>
Endowment assets, beginning of year	\$ 4,335,249	\$ 319,544	\$ 4,654,793
Dividends and interest	89,735	26,042	115,777
Net realized and unrealized appreciation in fair value of endowment assets	(637,870)	(44,058)	(681,928)
New gifts-designated for endowment	5,015	-	5,015
Endowment return used for operations	<u>(187,950)</u>	<u>(17,783)</u>	<u>(205,733)</u>
Endowment assets, end of year	<u>\$ 3,604,179</u>	<u>\$ 283,745</u>	<u>\$ 3,887,924</u>

(Continued)

IEEE FOUNDATION, INCORPORATED  
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December 31, 2023 and 2022

**NOTE 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 held U.S. Treasury bills that can be sold prior to maturity. At least annually, the IEEE Foundation performs a review of projected obligations to determine the appropriate level of liquidity and resulting rebalancing of assets.

As of December 31, 2023 and 2022, the Foundation's financial assets available within one year of the statement of financial position dates for general expenditures were as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 17,789,527	\$ 17,182,672
Amounts due from IEEE	157,076	224,691
Contributions receivable	3,052,706	2,163,121
Investments, at fair value	49,260,513	43,070,782
Amounts held in trust for others	<u>385,466</u>	<u>364,577</u>
Total financial assets available within one year	70,645,288	63,005,843
Less:		
Contractual, legal or donor-imposed restrictions:		
Amounts subject to expenditure for specific purposes	50,691,123	45,424,616
Amounts relating to endowment funds with donor restrictions	307,078	283,745
Amounts held in trust for others	<u>385,466</u>	<u>364,577</u>
Total amounts unavailable for general expenditures within one year	<u>51,383,667</u>	<u>46,072,938</u>
Board-designated endowment fund	<u>4,876,418</u>	<u>3,604,179</u>
Total amounts unavailable for management without Board approval	<u>4,876,418</u>	<u>3,604,179</u>
Total financial assets available within one year after Board designations	<u>\$ 14,385,203</u>	<u>\$ 13,328,726</u>

(Continued)

#### **NOTE 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.

#### **NOTE 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 \$1,043,377 and \$996,456 during 2023 and 2022, respectively. The Institute provided fundraising administrative services (contributed services) during 2023 and 2022 that were not reimbursed by the Foundation. Such contributed services recorded by the Foundation totaled \$1,603,389 and \$1,483,716 during 2023 and 2022, respectively.

Contributed services are recognized as revenue by the Foundation 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 valued and are reported at the estimated fair value in the financial statements based on actual salary of the IEEE employee, allocated to the Foundation, based on time spent working on Foundation related activities.

The Foundation also received annual cash contributions from IEEE in the amounts of \$469,000 and \$454,000 during 2023 and 2022, respectively.

During 2023, the Institute contributed \$500,000 and \$336,600 from the IEEE Communications Society for the IEEE Communications Society Awards Fund and IEEE Instrumentation & Measurement Society for the IEEE Instrumentation & Measurement Society Awards Fund, respectively. During 2022, the Institute contributed \$400,000 and \$300,000 from the IEEE Computer Society for the IEEE Computer Society Diversity and Inclusion Fund and IEEE Signal Processing Society for the IEEE Signal Processing Society Students and Young Professionals Fund, respectively.

The Institute solicits contributions on behalf of the Foundation through its annual member renewal process, which totaled \$597,495 and \$604,561 in 2023 and 2022, respectively.