THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INCORPORATED

Piscataway, New Jersey

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

THE INSTITUTE OF ELETRICAL AND ELECTRONICS
ENGINEERS, INCORPORATED
Piscataway, New Jersey

CONSOLIDATED FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Institute of Electrical and Electronics Engineers, Incorporated

Opinion

We have audited the consolidated financial statements of The Institute of Electrical and Electronics Engineers, Incorporated and subsidiaries (collectively, the "Institute"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Institute as of December 31, 2024 and 2023, and the changes in their net assets and their 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 Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

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

Crowe LLP

Crowe LLP

New York, New York
May 29, 2025

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INCORPORATED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 22,282,100	$ 20,019,700
Accounts receivable, less allowance for credit losses of $838,300 in 2024 and $1,785,500 in 2023	92,671,400	64,220,400
Prepaid expenses and other assets	15,297,200	16,364,200
Investments, at fair value	1,279,684,700	1,142,975,300
Investments - other	3,605,100	3,779,900
Income tax receivable	17,400	-
Total current assets	1,413,557,900	1,247,359,500
Noncurrent assets		
Land, buildings and equipment, net	25,842,100	26,495,000
Right of use of assets - operating	7,784,800	6,681,000
Right of use of assets - finance	22,900	34,600
Deferred tax assets	118,600	67,600
Total assets	$1,447,326,300	$1,280,637,700
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 112,797,700	$ 88,077,400
Current lease obligations - operating	2,507,900	2,087,000
Current lease obligations - finance	11,000	11,700
Accrued pension and other employee benefits	839,000	676,900
Amounts held on behalf of IEEE Foundation, Incorporated	66,931,200	65,109,000
Deferred revenue	121,951,800	118,661,400
Total current liabilities	305,038,600	274,623,400
Noncurrent liabilities		
Lease obligations - operating	4,918,900	4,527,000
Lease obligations - finance	11,800	22,900
Accrued pension and other employee benefits	12,703,300	13,405,600
Total liabilities	322,672,600	292,578,900
Commitments and contingencies		
Net assets		
Without donor restrictions		
Undesignated	1,118,337,300	979,431,600
Board-designated fund	3,526,700	6,032,500
Total without donor restrictions	1,121,864,000	985,464,100
With donor restrictions	2,789,700	2,594,700
Total net assets	1,124,653,700	988,058,800
Total liabilities and net assets	$1,447,326,300	$1,280,637,700

See accompanying notes to consolidated financial statements.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INCORPORATED
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended December 31, 2024 (with comparative total for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Revenues				
Memberships	$ 62,600,300	$ -	$ 62,600,300	$ 56,311,200
Periodicals	288,176,100	-	288,176,100	259,004,600
Conferences	243,690,400	-	243,690,400	215,723,000
Standards	48,178,300	-	48,178,300	49,016,000
Public imperatives	3,257,300	347,500	3,604,800	3,898,500
Other income	126,000	-	126,000	47,900
Net assets released from restrictions	237,600	(237,600)	-	-
Total revenues	646,266,000	109,900	646,375,900	584,001,200
Expenses				
Program services				
Memberships	116,642,400	-	116,642,400	104,654,600
Periodicals	195,372,700	-	195,372,700	173,295,900
Conferences	199,514,600	-	199,514,600	178,095,000
Standards	53,895,500	-	53,895,500	49,751,600
Public imperatives	17,461,500	-	17,461,500	14,534,500
Total program services	582,886,700	-	582,886,700	520,331,600
Supporting services				
In-Kind contribution	1,901,600	-	1,901,600	1,603,400
General and administrative	15,888,200	-	15,888,200	13,246,800
Total expenses	600,676,500	-	600,676,500	535,181,800
Changes in net assets before nonoperating activities	45,589,500	109,900	45,699,400	48,819,400
Nonoperating activities				
Investment gain, net	90,420,800	85,100	90,505,900	106,833,500
Pension and related benefits activity other than net periodic benefit cost	222,800	-	222,800	3,251,500
Gain on insurance recoveries	116,200	-	116,200	2,500,000
Changes in net assets before income tax	136,349,300	195,000	136,544,300	161,404,400
Benefit for income taxes	50,600	-	50,600	73,300
Changes in net assets	136,399,900	195,000	136,594,900	161,477,700
Net assets, beginning of year	985,464,100	2,594,700	988,058,800	826,581,100
Net assets, end of year	$ 1,121,864,000	$ 2,789,700	$ 1,124,653,700	$ 988,058,800

See accompanying notes to consolidated financial statements.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS
ENGINEERS, INCORPORATED
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total 2023
Revenues			
Memberships	$ 56,311,200	$ -	$ 56,311,200
Periodicals	259,004,600	-	259,004,600
Conferences	215,723,000	-	215,723,000
Standards	49,016,000	-	49,016,000
Public imperatives	3,708,500	190,000	3,898,500
Other income	47,900	-	47,900
Net assets released from restrictions	38,700	(38,700)	-
Total revenues	583,849,900	151,300	584,001,200
Expenses			
Program services			
Memberships	104,654,600	-	104,654,600
Periodicals	173,295,900	-	173,295,900
Conferences	178,095,000	-	178,095,000
Standards	49,751,600	-	49,751,600
Public imperatives	14,534,500	-	14,534,500
Total program services	520,331,600	-	520,331,600
Supporting services			
In-Kind contribution	1,603,400	-	1,603,400
General and administrative	13,246,800	-	13,246,800
Total expenses	535,181,800	-	535,181,800
Changes in net assets before nonoperating activities	48,668,100	151,300	48,819,400
Nonoperating activities			
Investment loss, net	106,742,400	91,100	106,833,500
Pension and related benefits activity other than net periodic benefit cost	3,251,500	-	3,251,500
Gain on insurance recoveries	2,500,000	-	2,500,000
Changes in net assets before income tax	161,162,000	242,400	161,404,400
Expense for income taxes	73,300	-	73,300
Changes in net assets	161,235,300	242,400	161,477,700
Net assets, beginning of year	824,228,800	2,352,300	826,581,100
Net assets, end of year	$ 985,464,100	$ 2,594,700	$ 988,058,800

See accompanying notes to consolidated financial statements.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS
ENGINEERS, INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOW
Years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Changes in net assets	$ 136,594,900	$ 161,477,700
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	8,464,100	8,336,600
Finance lease amortization	11,700	11,300
Realized and unrealized gains on investments	(56,998,800)	(79,722,900)
Noncash operating lease expense	1,797,900	968,000
Credit loss expense	409,100	1,121,400
Changes in assets and liabilities		
Change in operating right-of-use asset and lease liabilities, net	(2,088,900)	(2,127,400)
Accounts receivable	(28,860,100)	(28,122,800)
Prepaid expenses and other assets	1,067,000	(1,234,300)
Deferred tax assets	(51,000)	(31,500)
Income tax receivable	(17,400)	-
Accounts payable and accrued expenses	24,930,000	28,927,800
Accrued pension and other employee benefits	(540,200)	(1,181,000)
Amounts held on behalf of IEEE Foundation, Incorporated	1,822,200	11,002,600
Deferred revenue	3,290,400	(10,155,300)
Net cash provided by operating activities	89,830,900	89,270,200
Cash flows from investing activities		
Proceeds from sales of investments	759,682,900	514,546,900
Purchases of investments	(836,474,300)	(596,577,400)
Other investing activities	(2,744,400)	-
Purchase of land, buildings and equipment	(7,811,200)	(6,777,900)
Net cash used in investing activities	(87,347,000)	(88,808,400)
Cash flows from financing activities		
Change in cash overdraft	(209,700)	209,700
Payment of finance lease obligations	(11,800)	(11,300)
Net cash (used in) provided by financing activities	(221,500)	198,400
Net increase in cash and cash equivalents	2,262,400	660,200
Cash and cash equivalents, beginning of year	20,019,700	19,359,500
Cash and cash equivalents, end of year	$ 22,282,100	$ 20,019,700
Supplemental data:		
Purchases of fixed assets included in accounts payable and accrued expenses	$ 289,900	$ 209,700
Supplemental disclosure of non-cash activities		
Recognizing of right of use of assets and lease liabilities under ASC 842	$ 2,901,700	$ 366,400

See accompanying notes to consolidated financial statements.

NOTE 1 – THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INCORPORATED

The objectives of The Institute of Electrical and Electronics Engineers, Incorporated (the “Institute,” or “IEEE”) are (a) scientific and educational, directed toward the advancement of the theory and practice of electrical engineering, electronics engineering, computer engineering, computer sciences, and the allied branches of engineering and related arts and sciences and (b) professional, directed toward the benefit of the engineering community and the general public.

Implementation of the Institute’s objectives is performed by members and volunteer communities organized as regions, sections, chapters, societies, and councils, none of which are separately incorporated, and their financial results are incorporated in the Institute’s accompanying consolidated financial statements. These units are aligned to serve the technical interests of members and to coordinate local activities of the sections and the broader activities of the Institute. The societies and councils promote the technical interests of their members through symposia, conferences, various publications, and the development of standards.

The consolidated financial statements include the accounts of IEEE, Inc., Global IEEE Institute for Engineers, Inc., IEEE Global LLC, IEEE International LLC, IEEE Europe GmbH, IEEE Latin America SA, IEEE Broadcast Technology Convention LLC, IEEE Worldwide Limited, IEEE Asia-Pacific Limited, and IEEE Technology Center GmbH.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The Institute’s consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and have been prepared on the accrual basis of accounting. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Cash and Cash Equivalents: Cash and cash equivalents are defined as cash balances held in bank accounts and highly liquid short-term investments held by the Institute for operating use with original maturities of three months or less from the date of purchase.

Investments: Investments in publicly traded debt and equity securities are recorded at fair value determined on the basis of quoted market prices as of the reporting date. Investments in alternative investments (e.g., commingled funds) that are not readily marketable are reported at fair value as determined by the respective investment manager as of the reporting date. 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. Additionally, the Institute follows guidance that removes the requirement to categorize, within the fair value hierarchy, all investments for which the fair value is measured using NAV.

Such valuations involve assumptions and methods that are reviewed by the Institute and 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 Institute is limited to the amount of the Institute’s investment in each of the respective funds with respect to its ownership interests.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are determined on an average cost basis and are recorded on the consolidated statements of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Investments – Other: Investments - other consist of certificates of deposit held to maturity with original maturities greater than three months that are not debt securities and are carried at amortized cost.

Fair Value Measurements: The Institute follows guidance that defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This guidance provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available to determine the fair value of an instrument as of the reporting date.

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 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.

Concentration of Market and Credit Risks: Cash, cash equivalents and investments are exposed to interest rate, market, and credit risks. The Institute maintains its cash and cash equivalents in various bank deposit accounts that may exceed federally insured limits at times. To minimize risk, the Institute’s excess cash accounts are placed with high-credit quality financial institutions, and the Institute’s investment portfolio is diversified with several investment managers in a variety of asset classes. The Institute regularly evaluates its depository arrangements and investments, including the performance thereof. At December 31, 2024 and 2023, the Institute maintains accounts with seven financial institutions with balances exceeding the FDIC limit.

Accounts Receivable and Allowance for Credit Losses: Accounts receivable are stated at the amount the Institute expects to collect on outstanding balance. In general, the Institute reviews a customer’s credit history before extending credit. The Institute maintains allowances for credit losses against certain billed receivables based upon the latest information available regarding whether the receivables are ultimately collectible. Assessing the collectability of customer receivables requires management’s judgment.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Institute determines its allowance for credit losses by specifically analyzing individual accounts receivable, historical collection information, customer creditworthiness, current economic conditions, and accounts receivable aging trends. Valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectability of accounts receivable becomes available. Upon determination that a receivable is uncollectible, the respective receivable balance and any associated reserve are written off. Any payments subsequently received on such receivables are recorded as income in the period received. The Institute believes that all accounts receivable balance at December 31, 2024 and 2023 are collectible within one year.

Land, Buildings, and Equipment: Land, buildings, and equipment are stated at cost, including interest expense capitalized during the period of construction, or period of development, until the time that it is ready for its intended use. Additions and improvements costing more than $5,000 and with useful lives greater than three years are capitalized. Maintenance and repairs are expensed as incurred.

Assets acquired under finance lease agreements are depreciated over the term of the respective lease agreement to which they pertain. Leasehold improvements are amortized over their useful lives or lease period, whichever is shorter.

During fiscal year 2020, the Institute began the process of updating its financial system and moving to an integrated, cloud-based platform for financial recording and reporting (including contracts, banking, and expense reporting). This implementation was completed in 2021. The Institute capitalized implementation costs relating to such financial system upgrade in accordance with FASB Accounting Standards Update ("ASU") 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract, and such costs are reflected in the "Software" and "Information systems upgrade in process" lines of Note 5 for 2024 and 2023, respectively.

Depreciation and amortization are provided on a straight-line basis over the following estimated useful lives:

	Years
Buildings	20 - 40
Building improvements	10 - 15
Furniture, equipment and vehicles	5 - 10
Software and information systems	3 - 5
Computers	3

Leases, Right of Use Assets and Lease Liabilities: At the inception of an arrangement, the Institute determines if an arrangement is a lease based on all relevant facts and circumstances. Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less (short-term leases) are not recorded on the consolidated statement of financial position.

Right of use ("ROU") assets represent the Institute's right to use the underlying assets for the lease term and lease liabilities represent the net present value of the Institute's obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using the implicit lease interest rate or, when unknown, the Institute 's incremental borrowing rate on the lease commencement date or January 1, 2022 for leases that commenced prior to that date.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Institute will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying balance sheet.

The Institute has lease agreements with lease and non-lease components, which are accounted for as a single lease component under the practical expedient provisions of the standard. The Institute has lease agreements with terms less than one year. For the qualifying short-term leases, the Institute elected the short-term lease recognition exemption in which the Institute will not recognize ROU assets or lease liabilities, including the ROU assets or lease liabilities for existing short-term leases of those assets in upon adoption.

Variable lease payments consist primarily of common area maintenance, utilities, and taxes, which are not included in the recognition of ROU assets and related lease liabilities. The Institute's lease agreements do not contain material restrictive covenants.

<u>Accounts Payable and Accrued Expenses</u>: Cash overdrafts are included in accounts payable and accrued expenses. At December 31, 2024 and 2023, cash overdrafts amounted to $0 and $209,700, respectively.

<u>Net Asset Classifications</u>: The Institute'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 Institute and changes therein are classified and reported as follows:

Without donor restrictions - net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by actions of the Board of Directors. Net assets without donor restrictions can be utilized to carry out any of the purposes of the Institute.

Included within net assets without donor restrictions are balances of $3,526,700 and $6,032,500 as of December 31, 2024 and 2023, respectively, relating to funds that were designated by the Board of Directors for the sole purpose of upgrading the Institute's financial systems and processes.

With donor restrictions – as of December 31, 2024 and 2023 net assets with donor restrictions totaled $2,789,700 and $2,594,700, respectively. These balances represent amounts restricted by donors for specific activities of the Institute or to be used at some future date. The Institute records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statements of activities as net assets released from restrictions. However, when restrictions on donor-restricted contributions and investment returns are met in the same accounting period, such amounts are reported as part of net assets without donor restrictions.

Another portion of net assets with donor restrictions include funds wherein donors have stipulated that the principal contributed be invested and maintained in perpetuity. Income earned from these investments is available for expenditure according to restrictions imposed by donors and consideration of the appropriation for expenditure criteria by the Institute pursuant to the New York Prudent Management of Institutional Funds Act ("NYPMIFA").

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Measure: The Institute classifies its consolidated statements of activities into operating and nonoperating activities. Operating activities include all income and expenses related to carrying out the Institute's mission. Nonoperating activities include interest and dividends, realized and unrealized gains (losses) on investments, pension and other employee benefit related activity other than net periodic benefit cost, and other items considered to be unusual or of a non-recurring nature.

Revenue: In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"), the Institute recognizes revenue when control of the promised goods or services are transferred to the Institute's customers in an amount that reflects the consideration the Institute expects to be entitled to in exchange for those goods or services, as outlined in Note 3. The standard outlines a five-step model whereby revenue is recognized as performance obligations within which a contract is satisfied.

Public Imperatives: Public imperative revenues primarily consist of grants and contributions, including unconditional promises to give. Grants 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 are substantially met.

Public imperatives are social good activities that are directed at the public and not an individual or small group of individuals. They are generally related to the promotion of the public's understanding and appreciation of the Institute's fields of interest and/or positioning the Institute's technical expertise in ways to benefit humanity. Typically, these activities are not expected to create a financial surplus but rather are funded by the surplus of other activities.

Public imperative revenues primarily consist of IEEE-USA Assessments, History Center, and Foundation related activities.

Public imperative expenses consist of History Center, grants, certain IEEE-USA activities, and educational activities, initiatives, honors ceremonies, presentations, and some Society activities.

Contributed Services (In-kind Contribution): Contributed services are recognized as expenses for services that create or enhance nonfinancial assets of IEEE Foundation, Incorporated (the "IEEE Foundation"), 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 expenses in the period incurred. See also Note 13.

IEEE Foundation is a related organization, which works side by side with its donors and the Institute to unleash exciting, thoughtful, and impactful programming that advances technology for the benefit of humanity since 1973.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes and Tax Status:

a. Uncertain Tax Positions

The Institute is qualified under Section 501(c)(3) of the Internal Revenue Code ("Code") as an organization exempt from federal income tax and applicable state income tax and is classified as a publicly supported charitable organization under Section 509(a)(2) of the Code. Nevertheless, the Institute is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

The Institute 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. As of December 31, 2024 and 2023, management has determined that there are no significant uncertain tax positions that would require recognition or disclosure in the accompanying consolidated financial statements.

b. The Institute's Income Tax Provision

The Institute generates revenue from unrelated business income activities and files federal Form 990-T and associated equivalent state unrelated business income tax returns. The Institute has historical losses and tracks federal Net Operating Losses ("NOLs") in two separate categories: NOLs generated prior to January 1, 2018 ("pre-TCJA"), which can be carried forward up to 20 years, and NOLs generated after December 31, 2017 ("post-TCJA"), which can be carried forward indefinitely.

For the year ending December 31, 2024, the Institute generated current year losses of $2,859,000 resulting in cumulative federal NOLs of $9,201,000, which is comprised of $4,156,000 pre-TCJA and $5,045,000 post-TCJA. The Institute also has cumulative state NOLs of $1,421,000 carryforward periods ranging from 12 years to indefinite lived.

For the year ending December 31, 2023, the Institute generated current year losses of $918,000, resulting in cumulative federal NOLs of $6,406,000, which is comprised of $4,156,000 pre-TCJA and $2,250,000 post-TCJA. The Institute also has cumulative state NOLs of $807,000 with carryforward periods ranging from 12 years to indefinite lived.

Deferred income taxes are recognized for the temporary differences between the tax basis of assets and liabilities and financial-reporting amounts at each year-end, taking into consideration enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are recognized if, based on the weight of available evidence, it is more likely than not that all or some portion of any deferred tax asset will not be realized. The benefit or provision for income tax represents the income tax benefit or payable for the year and the change in deferred tax assets and liabilities during the period.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of December 31, 2024 and 2023, the Institute's deferred tax asset with respect to its NOL from unrelated business activities had total balances of $119,000 and $67,600, respectively, reflecting a full valuation allowance booked against its federal deferred tax asset. The Institute booked the respective valuation allowances against the deferred tax assets since there is no expectation the Institute will utilize these benefits in the foreseeable future.

The Institute's deferred tax assets are netted with deferred tax liabilities on the accompanying 2024 and 2023 consolidated statements of financial position.

c. Income Tax Provisions of For-Profit Subsidiaries

IEEE, Inc., a subsidiary of the Institute, is considered a for-profit entity under the Code. Management is maintaining a full valuation allowance against the net deferred tax assets for IEEE, Inc.

d. Consolidated Income Tax Provision

For the years ended December 31, 2024 and 2023, the benefit for income taxes consisted of the following:

	2024	2023
Current		
Federal	$ -	$ (10,200)
State	400	(31,700)
	400	(41,900)
Deferred		
Federal	-	-
State	(51,000)	(31,400)
	(51,000)	(31,400)
Benefit for income taxes	$ (50,600)	$ (73,300)

For the year ended December 31, 2024, the Institute's consolidated income tax benefit is $50,600, which is from associated state activities. For the year ended December 31, 2023, the Institute's consolidated income tax benefit was $73,300, which was comprised of $10,200 in income tax benefit related to the Institute's unrelated business income activities and associated off-setting valuation allowance, and $63,100 in income tax benefits from associated state activities.

Use of Estimates: The preparation of consolidated financial statements in conformity 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: The Institute evaluated its December 31, 2024 consolidated financial statements for subsequent events through May 29, 2025, the date the consolidated financial statements were available to be issued. The Institute is not aware of any other material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

(Continued)

NOTE 3 – REVENUE RECOGNITION

Membership Dues: The Institute offers membership for term of one year. The Institute satisfies its performance obligation and recognizes revenue evenly over the membership term as its members simultaneously receive and consume the benefits over that timeframe. Generally, membership does not commence until after the Institute receives payment.

Payments received for membership dues in advance of the Institute satisfying its performance obligation are recorded within deferred revenue in the accompanying consolidated statements of financial position. The changes in deferred revenue relating to membership dues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

Periodicals: Periodicals revenues primarily include subscriptions and online products and content. Such revenues are recognized upon delivery of the online product or content or over the related subscription period.

Payments received for periodicals and media agreements in advance of the Institute satisfying its performance obligations are recorded within deferred revenue in the accompanying consolidated statements of financial position and recognized as revenue in future periods as performance obligations are satisfied. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

For the years ended December 31, 2024 and 2023, the Institute recognized 100% of the periodicals revenues over time, respectively.

Conferences: Conference revenues primarily include registration and sponsorships, and also includes the conference proceedings and published articles related to respective conferences. Revenues from conference registration and sponsorships are recognized when the conferences take place. Revenues from conference proceedings and articles are recognized in the period in which they are sold.

Payments received for conferences in advance of the Institute satisfying its performance obligation are recorded within deferred revenue in the accompanying consolidated statements of financial position and recognized as revenue in future periods as performance obligations are satisfied. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

Standards: Standards revenues primarily include subscriptions, publications and online products and content relating to technology standards. Such revenues are recognized upon delivery of the online products or content or over the related subscription period.

Payments received for standards agreements in advance of the Institute satisfying its performance obligation are recorded within deferred revenue in the accompanying consolidated statements of financial position and recognized as revenue in future periods as performance obligations are satisfied. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

For the year ended December 31, 2024, approximately 35% and 65% of standards revenue were recognized “over time” and at “point-in-time,” respectively. For the year ended December 31, 2023, approximately 35% and 38% of standards revenue were recognized “over time” and at “point-in-time,” respectively.

(Continued)

NOTE 3 – REVENUE RECOGNITION (Continued)

Accounts Receivable: Accounts receivable relating to the above revenues consist of the following:

	2024	2023
Periodicals and standards	$ 29,567,600	$ 29,548,100
Conferences	59,898,900	33,019,400
Other	4,043,200	3,438,400
Total accounts receivable	93,509,700	66,005,900
Less: allowance for credit losses	(838,300)	(1,785,500)
Accounts receivable, net of allowance for credit losses	$ 92,671,400	$ 64,220,400

Deferred Revenue: Deferred revenue from contracts with customers represents payments received in advance for which services have not been performed as of December 31, 2024 and 2023. The following tables present contract balances along with activities for deferred revenue as of and for the years ending December 31, 2024 and 2023:

	Balance at January 1, 2024	Revenue Recognized 2024	Cash Received In Advance of Performance	Balance at December 31, 2024
Membership Dues	$ 32,299,200	$ (32,299,200)	$ 33,030,100	$ 33,030,100
Periodicals	82,989,500	(82,989,500)	86,043,700	86,043,700
Conferences	1,041,800	(1,041,800)	570,200	570,200
Standards	2,330,900	(2,330,900)	2,307,800	2,307,800
	$ 118,661,400	$ (118,661,400)	$ 121,951,800	$ 121,951,800

	Balance at January 1, 2023	Revenue Recognized 2023	Cash Received In Advance of Performance	Balance at December 31, 2023
Membership Dues	$ 32,219,100	$ (32,219,100)	$ 32,299,200	$ 32,299,200
Periodicals	89,595,200	(89,595,200)	82,989,500	82,989,500
Conferences	4,812,900	(4,812,900)	1,041,800	1,041,800
Standards	2,189,500	(2,189,500)	2,330,900	2,330,900
	$ 128,816,700	$ (128,816,700)	$ 118,661,400	$ 118,661,400

(Continued)

NOTE 4 – INVESTMENTS

The Institute's investments, at fair value, by level within the fair value hierarchy, consist of the following as of December 31:

	December 31, 2024		
	Level 1	Net Asset Value	Total
Common stock			
Consumer	$ 24,394,100	$ -	$ 24,394,100
Technology	120,567,300	-	120,567,300
Financial services	39,685,700	-	39,685,700
Healthcare	45,691,900	-	45,691,900
Industrials	35,700,300	-	35,700,300
Energy	15,556,200	-	15,556,200
Other	17,163,200	-	17,163,200
Total common stock	298,758,700	-	298,758,700
Mutual funds:			-
Growth funds	109,701,000	-	109,701,000
Fixed income funds	257,393,800	-	257,393,800
Money market funds	207,556,600	-	207,556,600
Other funds	113,726,800	-	113,726,800
Total mutual funds	688,378,200	-	688,378,200
U.S. government securities	90,744,800	-	90,744,800
Commingled funds	-	154,714,200	154,714,200
	$ 1,077,881,700	$ 154,714,200	1,232,595,900
Cash held for investment			46,356,600
Add: receivables for securities sold and accrued interest			1,261,400
Less: liabilities for securities purchased and accrued fees			(529,200)
Total investments, at fair value			$ 1,279,684,700

(Continued)

NOTE 4 – INVESTMENTS (Continued)

	December 31, 2023		
	Level 1	Net Asset Value	Total
Common stock			
Consumer	$ 28,770,400	$ -	$ 28,770,400
Technology	96,778,300	-	96,778,300
Financial services	40,826,300	-	40,826,300
Healthcare	47,893,400	-	47,893,400
Industrials	29,786,100	-	29,786,100
Energy	15,558,800	-	15,558,800
Other	14,705,000	-	14,705,000
Total common stock	274,318,300	-	274,318,300
Mutual funds:			-
Growth funds	106,324,700	-	106,324,700
Fixed income funds	236,328,400	-	236,328,400
Money market funds	213,636,900	-	213,636,900
Other funds	110,477,500	-	110,477,500
Total mutual funds	666,767,500	-	666,767,500
U.S. government securities	46,006,500	-	46,006,500
Commingled funds	-	110,536,600	110,536,600
	$ 987,092,300	$ 110,536,600	1,097,628,900
Cash held for investment			44,894,900
Add: receivables for securities sold and accrued interest			951,200
Less: liabilities for securities purchased and accrued fees			(499,700)
Total investments, at fair value			$ 1,142,975,300

The Institute’s policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

(Continued)

NOTE 4 – INVESTMENTS (Continued)

Investments valued at NAV by major category as of December 31, 2024 and 2023 consisted of the following:

December 31, 2024

Type	Strategy	NAV in Funds	Number of Funds	Remaining Life	$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	One fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period; and two funds seek to maximize portfolio returns while minimizing risk through an asset allocation based on measurements of the investible universe of institutional real estate.	$ 154,714,200	3	Subject to the determination of the respective fund manager.	N/A	One fund has daily redemption upon notice; and two funds have quarterly redemption with 60 days notice.	N/A

December 31, 2023

Type	Strategy	NAV in Funds	Number of Funds	Remaining Life	$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	One fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period; and one fund seeks to maximize portfolio returns while minimizing risk through an asset allocation based on measurements of the investible universe of institutional real estate.	$ 110,536,600	2	Subject to the determination of the respective fund manager.	N/A	One fund has daily redemption upon notice; and one fund has quarterly redemption with 60 days notice.	N/A

The Institute also held investments, which included certificates of deposits and term deposits, totaling $3,605,100 and $3,779,900 as of December 31, 2024 and 2023, respectively, that were classified as investments - other on the accompanying consolidated statements of financial position. These investments do not qualify as securities, as defined by relevant guidance, and as such, fair value disclosures are not provided.

(Continued)

NOTE 4 – INVESTMENTS (Continued)

Investment income, net, for the years ended December 31, 2024 and 2023, are reflected in the accompanying consolidated statements of activities and consist of the following:

	2024	2023
IEEE		
Interest and dividends, net	$ 33,507,100	$ 27,110,600
Net realized and unrealized gains on investments	56,998,800	79,722,900
IEEE investment income, net	$ 90,505,900	$ 106,833,500

Investment expenses, which are netted with interest and dividends, amounted to $1,671,400 and $1,729,400 in 2024 and 2023, respectively.

For the years ended December 31, 2024 and 2023, investment returns related to amounts held on behalf of IEEE Foundation, that have not been reflected in the accompanying consolidated statements of activities, consist of the following:

	2024	2023
IEEE Foundation, Incorporated		
Interest and dividends, net	$ 1,509,200	$ 1,255,500
Net realized and unrealized gains on investments	2,959,200	4,223,000
IEEE Foundation investment income, net	$ 4,468,400	$ 5,478,500

(Continued)

NOTE 5 – LAND, BUILDINGS, AND EQUIPMENT, NET

Land, buildings, and equipment, carried at cost, net of the related accumulated depreciation and amortization, at December 31, 2024 and 2023 consist of the following:

	2024		
	Cost	Accumulated Depreciation and Amortization	Net
Buildings	$ 17,385,900	$ 16,411,800	$ 974,100
Furniture, equipment, vehicles and computers	13,770,300	11,437,400	2,332,900
Software	64,903,100	54,277,300	10,625,800
Building improvements	22,424,000	18,081,800	4,342,200
	118,483,300	100,208,300	18,275,000
Land	836,400	-	836,400
Information systems upgrade in process	6,730,700	-	6,730,700
Total	$ 126,050,400	$ 100,208,300	$ 25,842,100

	2023		
	Cost	Accumulated Depreciation and Amortization	Net
Buildings	$ 17,385,900	$ 16,283,200	$ 1,102,700
Furniture, equipment, vehicles and computers	16,163,000	14,021,200	2,141,800
Software	62,614,000	51,566,000	11,048,000
Building improvements	22,206,300	17,241,200	4,965,100
	118,369,200	99,111,600	19,257,600
Land	836,400	-	836,400
Information systems upgrade in process	6,401,000	-	6,401,000
Total	$ 125,606,600	$ 99,111,600	$ 26,495,000

Depreciation and amortization expense amounted to $8,464,100 and $8,336,600 for the years ended December 31, 2024 and 2023, respectively.

(Continued)

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS

The Institute sponsors two qualified pension plans and one nonqualified pension plan and other postretirement benefit plans for its employees. In November 2006, the Board of Directors approved the freezing of its qualified employee benefit plans as of June 30, 2007 and the implementation of a defined contribution plan effective July 1, 2007. Accordingly, as of June 30, 2007, no further benefits will accrue under the qualified employee benefit plans after that date.

The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the two-year period ended December 31, 2024, and a statement of the funded status as of December 31, 2024 and 2023:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Reconciliation of benefit obligation:				
Obligation at January 1	$ 61,683,400	$ 62,391,800	$ 6,707,100	$ 6,379,500
Service cost	290,000	290,000	203,200	176,400
Interest cost	2,692,900	2,891,900	306,000	301,700
Actuarial (loss) gain	(3,574,200)	287,900	(732,400)	(18,300)
Benefit payments	(3,938,900)	(4,178,200)	(129,500)	(132,200)
Obligation at December 31	$ 57,153,200	$ 61,683,400	$ 6,354,400	$ 6,707,100
Reconciliation of fair value of plan assets				
Fair value of plan assets at January 1	$ 62,420,900	$ 60,486,500	$ -	$ -
Actual return on plan assets	(229,700)	6,110,300	-	-
Employer contributions	6,600	2,400	129,500	132,200
Benefit payments	(3,938,900)	(4,178,200)	(129,500)	(132,200)
Settlements	-	-	-	-
Fair value of plan assets at December 31	58,258,900	62,421,000	-	-
Funded status at December 31	1,105,800	737,600	(6,354,400)	(6,707,100)
Accumulated benefit obligation	$ 57,153,100	$ 61,683,400	$ 6,354,400	$ 6,707,100

At December 31, 2024 and 2023, the funded status of the plans is included in accrued pension and other employee benefits on the consolidated statements of financial position as follows:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Non-current assets	$ 1,105,800	$ 750,900	$ -	$ -
Current liabilities	-	(6,300)	(349,300)	(340,700)
Noncurrent liabilities	-	(7,000)	(6,005,100)	(6,366,400)
Net amount recognized	$ 1,105,800	$ 737,600	$ (6,354,400)	$ (6,707,100)

(Continued)

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

Cumulative amounts recognized in changes in net assets without donor restrictions and not yet recognized in net periodic benefit cost as of December 31, 2024 and 2023 consist of:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Net loss (gain)	$ 6,433,200	$ 5,945,700	$ (1,572,900)	$ (862,500)

The following table provides the components of net periodic benefit cost for the plans for 2024 and 2023:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Service cost	$ 290,000	$ 290,000	$ 203,200	$ 176,400
Interest cost	2,692,900	2,891,900	305,900	301,700
Expected return on plan assets	(3,833,300)	(3,029,100)	-	-
Amortization of net loss	3,500	462,200	(22,000)	(22,300)
Settlement loss	(2,300)	-	-	-
Net periodic benefit cost	$ (849,200)	$ 615,000	$ 487,100	$ 455,800

Amounts recognized in changes in net assets without donor restrictions for the years ended December 31, 2024 and 2023 consist of:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Net gain	$ 488,700	$ (2,793,300)	$ (732,300)	$ (18,300)
Amortization of net loss	(1,200)	(462,200)	22,000	22,300
Pension and related benefits activity other than net periodic benefit cost	$ 487,500	$ (3,255,500)	$ (710,300)	$ 4,000

The prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the fair value of plan assets are amortized over the average remaining service period of active participants.

The assumptions used in the measurement of the Institute's benefit obligation are shown in the following table:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Weighted-average assumptions as of December 31				
Discount rate	5.40%	4.74%	5.48%	4.79%
Rate of compensation increase	N/A	N/A	N/A	N/A

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

The assumptions used in the measurement of the net periodic benefit cost are shown in the following table:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Weighted-average assumptions as of December 31				
Discount rate	4.74%	4.94%	4.79%	4.99%
Expected return on plan assets	6.50%	5.30%	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A	N/A

The health care plan benefits are a flat dollar reimbursement to the retirees toward health care premiums. An increase in the reimbursement amount is not assumed.

Contributions: There are no required contributions due to the qualified pension plans during 2023 under the Internal Revenue Service ("IRS") minimum funding regulations.

IEEE expects to contribute approximately $6,000 to its nonqualified pension plan and approximately $341,000 to its other post-retirement benefit plans during 2025.

Expected Benefit Payments:

	Pension Benefits	Other Benefits
2025	$ 4,405,800	$ 349,300
2026	4,315,700	353,600
2027	4,231,600	366,600
2028	4,005,500	378,300
2029	4,431,700	392,700
2030-2034	20,330,500	2,106,500

Plan Assets: IEEE determines its assumptions for the expected rate of return on plan assets for its retirement plans based on ranges of anticipated rates of return for each asset class. A weighted range of nominal rates is then determined based on target allocations for each asset class. IEEE considers the expected rate of return to be a longer-term assessment of return expectations and does not anticipate changing this assumption annually unless economic conditions change significantly. The expected rate of return for each plan is based upon its expected asset allocation. Market performance over a period of earlier years is evaluated covering a wide range of economic conditions to determine whether there are reliable reasons for projecting forward any past trends.

(Continued)

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

IEEE's pension and post-retirement plan asset allocation at the end of 2024 and 2023, and the target asset allocation for 2024 and 2023 by asset category based on asset fair values are as follows:

Asset Category	Target Asset Allocation	Pension Assets at December 31, 2024	Pension Assets at December 31, 2023	Post-Retirement Assets at December 31, 2024	Post-Retirement Assets at December 31, 2023
Equity securities	10%	12%	12%	N/A	N/A
Debt securities	90%	88%	87%	N/A	N/A
Cash and cash equivalents	0%	0%	1%	N/A	N/A
Total	100%	100%	100%	N/A	N/A

Third-party investment professionals manage IEEE's pension plan assets, rebalancing assets as the Institute deems appropriate. IEEE's investment strategy with respect to its pension plan assets is to maintain a diversified investment portfolio across several asset classes targeting an annual rate of return of 5% in 2024 and 2023. To develop the expected long-term rate of return on assets assumption, the Institute considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

IEEE's pension and post-retirement funds' investment strategies are to invest in a prudent manner for the exclusive purpose of providing benefits to participants. The investment strategies are targeted to produce a total return that, when combined with IEEE's contributions to the funds, will maintain the funds' ability to meet all required benefit obligations. Risk is controlled through liability driven investing. The majority of the assets are matched against pension liability.

The Institute's investment objectives for the pension plans are to minimize the volatility of the pension assets relative to pension liabilities and to offset the required contributions. The current target asset allocations are 10% equity securities and 90% debt securities. The investment guidelines further allow the managers to keep up to 5% in cash and cash equivalents.

Investment strategies and policies for pension plans reflect a balance of risk-reducing and return seeking considerations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset - liability matching.

All plan assets are externally managed. Investment managers are not permitted to invest outside of the asset classes or strategy for which they have been appointed. The Institute uses investment guidelines to ensure investment managers invest solely within the investment strategy for which they have been retained.

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

The following table prioritizes the input used to measure and report the fair value of the Institute's pension plan assets at December 31:

	December 31, 2024			
	Level 1	Level 2	Net Asset Value	Total
Common stock				
Consumer	$ 252,600		$ -	$ 252,600
Technology	2,102,000			2,102,000
Industrials	288,500			288,500
Healthcare	304,900			304,900
Financial services	282,800			282,800
Materials	73,400			73,400
Energy	127,400			127,400
Other	35,400	-	-	35,400
Total common stock	3,467,000	-	-	3,467,000
Equity mutual funds	3,277,700			3,277,700
Corporate bonds		34,525,300		34,525,300
U.S. government securities	13,951,000			13,951,000
Municipal bonds		1,444,900		1,444,900
Foreign bonds		641,700		641,700
Collective trust fund	-	-	290,000	290,000
	$ 20,695,700	$ 36,611,900	$ 290,000	$ 57,597,600
Cash held for investment				
Add: receivables for securities sold and accrued interest				661,300
Total pension plan investments				$ 58,258,900

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

	December 31, 2023			
	Level 1	Level 2	Net Asset Value	Total
Common stock				
Consumer	$ 878,500	$ -	$ -	$ 878,500
Technology	1,468,200			1,468,200
Industrials	267,500			267,500
Healthcare	355,400			355,400
Financial services	303,200			303,200
Materials	149,800			149,800
Energy	157,200			157,200
Other	132,100	-	-	132,100
Total common stock	3,711,900	-	-	3,711,900
Equity mutual funds	3,549,600			3,549,600
Corporate bonds		37,080,200		37,080,200
U.S. government securities	15,004,900			15,004,900
Municipal bonds		1,536,300		1,536,300
Foreign bonds		548,200		548,200
Collective trust fund	-	-	333,100	333,100
	$ 22,266,400	$ 39,164,700	$ 333,100	61,764,200
Cash held for investment				-
Add: receivables for securities sold and accrued interest				656,800
Total pension plan investments				$ 62,421,000

The Institute's policy is to recognize transfers in and transfers out of levels at the end of the respective reporting period.

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

The Institute uses, as a practical expedient for fair value, a NAV per share or its equivalent for purposes of valuing 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. The following table lists such investments by major category as of December 31, 2024 and 2023:

December 31, 2024

Type	Strategy	NAV in Funds	Number of Funds	Remaining Life	$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Collective trust fund	Seeks the highest level of current income possible consistent with the preservation of capital and maintenance of liquidity.	$ 290,000	1	Subject to the determination of the respective fund manager.	N/A	Daily redemption, upon notice.	N/A

December 31, 2023

Type	Strategy	NAV in Funds	Number of Funds	Remaining Life	$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Collective trust fund	Seeks the highest level of current income possible consistent with the preservation of capital and maintenance of liquidity.	$ 333,100	1	Subject to the determination of the respective fund manager.	N/A	Daily redemption, upon notice.	N/A

The Institute also has a defined contribution 401(k) Savings and Investment Plan (the “Plan”) for employees, who are eligible to participate after the start of the next pay period following 30 days of employment. Under the Plan, employees may generally contribute between 2% to 16% of their salary; however, not in excess of IRS limitations. The Institute provides a 100% matching contribution up to 4% of each employee’s salary. The Institute contributed $6,184,400 and $5,684,800 on behalf of eligible employees to the Plan in 2024 and 2023, respectively. Amounts payable at December 31, 2024 and 2023 totaled $147,700 and $98,100, respectively, and are included in the current portion of accrued pension and other benefits in the accompanying consolidated statements of financial position.

The Institute has established a Defined Contribution Retirement Plan under which it makes contributions to accounts established for each employee according to a predetermined schedule of contributions. The employee’s retirement benefit is the value of the account. All contributions under the Defined Contribution Retirement Plan are made by the Institute and are not funded through salary deductions (employee contributions). Vesting occurs at the completion of each year of service at a rate of 25% per year until 100% after four years. The Institute contributed $13,204,300 and $13,210,000 to this plan in 2024 and 2023, respectively. Amounts payable at December 31, 2024 and 2023 totaled $244,315 and $231,800, respectively, and are included in the current portion of accrued pension and other benefits in the accompanying consolidated statements of financial position.

(Continued)

NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

Effective September 1, 2002, the Institute implemented a 457(b) plan for those highly compensated employees who have reached the IRS maximum 401(k) contribution for the year. These employees have the option of continuing their contributions up to the maximum dollar amount under section 457(e)(15) of the Internal Revenue Code of 1986, as amended. All other criteria for eligibility follow the same guidelines as the 401(k) plan. The amounts of $7,966,700 and $7,783,100 pertaining to obligations due under the 457(b) plan are accrued and included in accrued pension and other employee benefits at December 31, 2024 and 2023, respectively, and the related 457(b) plan assets are included in investments on the accompanying consolidated statements of financial position.

(Continued)

NOTE 7 – FUNCTIONAL EXPENSES

The following table summarizes the Institute's functional expense classification presented below for the years ended December 31.

December 31, 2024

	Program Services					Supporting Services		
	Memberships	Periodicals	Conferences	Standards	Public Imperatives	In-Kind Contribution	General and Administrative	Total
People costs and related expense	$ 55,084,300	$ 88,706,500	$ 45,178,200	$ 26,708,500	$ 6,051,900	$ 1,367,100	$ 5,358,400	$ 228,454,900
Conference event related expense	134,100	23,900	60,537,500	90,000	168,200	-	131,600	61,085,300
Travel, meetings and accommodation	18,822,100	11,517,600	39,427,300	8,158,800	1,299,400	56,600	1,520,500	80,802,300
Consultants and contractors	4,458,900	7,915,700	15,167,400	6,887,800	1,413,700	114,500	1,722,000	37,680,000
Commission, licensing and royalty	1,088,700	30,587,200	679,900	110,000	-	-	-	32,465,800
Printing and publishing expense	3,257,000	20,037,900	3,060,900	76,400	148,600	21,500	102,900	26,705,200
Computer software and related expense	5,522,800	8,463,100	3,335,200	3,734,200	119,900	74,800	329,600	21,579,600
Marketing and promotions	3,711,600	5,687,800	3,865,100	574,400	567,100	66,700	627,000	15,099,700
Grants, awards, scholarships and others	3,772,200	3,913,800	890,700	352,300	165,100	63,700	509,000	9,666,800
General office expense	1,466,200	2,876,000	3,563,900	887,600	17,800	-	28,000	8,839,500
Depreciation and amortization	1,480,300	596,400	1,016,000	64,400	5,283,100	-	23,900	8,464,100
Operating leases and related expense	1,253,900	3,136,500	1,471,300	537,900	22,200	-	995,600	7,417,400
Professional fees	1,389,900	2,239,000	1,529,600	1,324,600	42,100	1,700	828,400	7,355,300
Maintenance expense	782,800	123,800	959,400	27,600	377,700	-	3,419,300	5,690,600
Insurance	397,400	484,100	1,517,000	301,900	16,300	-	281,300	2,998,000
Credit loss expenses	117,300	92,100	83,000	103,000	2,600	400	10,700	409,100
Communication services	31,200	678,100	-	3,100	-	-	-	712,400
Various Other	13,871,700	8,293,200	17,232,200	3,953,000	1,765,800	134,600	-	45,250,500
Total	$ 116,642,400	$ 195,372,700	$ 199,514,600	$ 53,895,500	$ 17,461,500	$ 1,901,600	$ 15,888,200	$ 600,676,500

(Continued)

NOTE 7 – FUNCTIONAL EXPENSES (Continued)

December 31, 2023

	Program Services					Supporting Services		
	Memberships	Periodicals	Conferences	Standards	Public Imperatives	In-Kind Contribution	General and Administrative	Total
People costs and related expense	$ 49,967,900	$ 77,047,100	$ 47,897,500	$ 23,745,800	$ 4,221,400	$ 1,202,000	$ 3,514,300	$ 207,596,000
Conference event related expense	-	62,600	59,534,400	1,812,300	11,300	-	8,800	61,429,400
Travel, meetings and accommodation	17,210,600	9,273,500	21,893,300	3,634,900	993,800	47,500	1,002,100	54,055,700
Consultants and contractors	4,468,100	7,381,800	11,182,100	8,891,700	721,900	86,600	845,800	33,578,000
Commission, licensing and royalty	1,170,900	29,096,400	656,200	106,300	-	-	-	31,029,800
Printing and publishing expense	3,624,600	18,220,800	3,125,700	388,200	94,500	20,300	73,500	25,547,600
Computer software and related expense	3,268,800	4,972,200	3,431,900	2,251,600	36,500	56,200	184,600	14,201,800
Marketing and promotions	3,098,800	5,102,500	3,859,000	942,900	249,300	29,700	76,400	13,358,600
Grants, awards, scholarships and others	1,871,500	550,100	706,800	12,400	7,433,500	-	-	10,574,300
General office expense	3,348,800	3,880,800	859,700	591,600	97,100	50,900	297,900	9,126,800
Depreciation and amortization	1,701,100	2,059,400	2,107,100	1,040,900	23,300	1,800	1,403,000	8,336,600
Operating leases and related expense	863,600	164,000	1,995,600	41,700	404,300	-	3,828,300	7,297,500
Professional fees	1,301,000	2,962,300	2,470,400	305,900	-	-	9,000	7,048,600
Maintenance expense	871,900	2,797,300	1,623,900	376,600	6,400	-	1,080,500	6,756,600
Insurance	292,600	371,000	1,263,300	309,700	2,000	900	185,900	2,425,400
Credit loss expenses	26,100	18,300	564,200	-	-	-	512,800	1,121,400
Communication services	95,500	15,600	91,500	121,800	3,100	400	1,800	329,700
Various Other	11,472,800	9,320,200	14,832,400	5,177,300	236,100	107,100	222,100	41,368,000
Total	$ 104,654,600	$ 173,295,900	$ 178,095,000	$ 49,751,600	$ 14,534,500	$ 1,603,400	$ 13,246,800	$ 535,181,800

Management has reviewed all overhead costs and determined that it is appropriate to allocate the majority of these costs to the program services. There are a number of allocation methodologies that are used focusing on the location where the costs are incurred along with staffing levels and program service cost incurred prior to allocations. Included in these allocations are approximately $84 million and $74 million of society administrative, committee, and executive expenses and approximately $67 million and $58 million of indirect corporate overhead charges in 2024 and 2023, respectively.

(Continued)

NOTE 8 – ADDITIONAL INFORMATION PRESENTED BY ACTIVITY

The following presents the Institute's consolidated financial results presented in a traditional surplus or loss format for the years ended December 31, 2024 and 2023. This format differs from the accompanying consolidated statements of activities, which present the financial results by the types of products and services sold. The surplus and loss presents the same data pertaining to the nature of activities.

	2024	2023
Net revenues	$ 642,771,100	$ 580,102,700
Less: cost of revenues	276,062,800	238,688,300
Direct contribution to surplus	366,708,300	341,414,400
Expenses		
Selling	37,699,300	35,866,000
Marketing	34,802,800	33,310,700
Development and design	17,744,700	17,620,600
Supporting services	215,042,700	193,558,300
Contribution to surplus	61,418,800	61,058,800
Public imperatives, net	13,817,800	10,636,000
In-kind contribution	1,901,600	1,603,400
Subtotal before nonoperating activities	45,699,400	48,819,400
Nonoperating activities		
Investment gain, net	90,505,900	106,833,500
Gain on insurance recoveries	116,200	2,500,000
Pension benefit	222,800	3,251,500
Surplus before tax	136,544,300	161,404,400
Benefit for income taxes	50,600	73,300
Net surplus after tax	$ 136,594,900	$ 161,477,700

A description of each line item is discussed below:

Revenues: Net earnings from the sales of products and services.

Cost of Revenues: Direct costs incurred in producing or providing products and services that are sold and generate revenue.

Selling: Expenses incurred in the effort to sell products or services includes commissions and other related expenses.

Marketing: Expenses incurred to generate additional sales of existing products or services, including brand awareness, promotions, displays, and media.

(Continued)

NOTE 8 – ADDITIONAL INFORMATION PRESENTED BY ACTIVITY (Continued)

Development and Design: Expenses incurred in relation to developing new products and services to be sold in the future.

Supporting Services: This caption includes operational support and shared services. Operational support includes expenses that are indirectly related to the sale of products and services which generate revenue (e.g., costs associated with conference and event management, volunteer engagement and executive or governance functions). Shared services include general overhead such as Human Resources, Finance, Information Technology, Facilities, and other related expenses. The presentation of supporting services, as reported on the accompanying consolidated statements of activities, reflects an allocation of such costs amongst the lines of operation specifically benefited.

Public Imperatives: Public imperatives are outreach and public awareness efforts to inform the public and members about technology and the engineering profession.

NOTE 9 – LIQUIDITY RESOURCES

The Institute's primary source of operating funds is derived from the sale of products and services for its memberships, periodicals, conferences, and standards. These activities are intended to advance technology for humanity. The Institute has various sources of liquidity at its disposal, including cash and cash equivalents, and investments.

The following table reflects the Institute's financial assets as of December 31, 2024 and 2023 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or donor restrictions.

	2024	2023
Cash and cash equivalents	$ 22,282,100	$ 20,019,700
Accounts receivable, less allowance for credit losses	92,671,400	64,220,400
Investments, at fair value	1,279,684,700	1,142,975,300
Investments - other	3,605,100	3,779,900
Total financial assets available within one year	1,398,243,300	1,230,995,300
Less:		
IEEE Board-designated net assets	3,526,700	6,032,500
Amounts held on behalf of IEEE Foundation, Incorporated	66,931,200	65,109,000
Amounts subject to expenditure for specified donor purposes	2,065,900	1,940,100
Amounts relating to endowment funds with donor restrictions	723,800	654,600
Total amounts unavailable for general expenditures within one year	73,247,600	73,736,200
Total financial assets available within one year after Board designations	$ 1,324,995,700	$ 1,157,259,100

(Continued)

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENT FUNDS

Net assets with donor restrictions are available for the following purposes at December 31, 2024 and 2023:

	2024	2023
Grant funds held for specific purposes	$ 1,404,100	$ 1,204,300
Fund held for awards, medals, and other specific purposes	661,800	735,800
Donor-restricted endowment funds, including accumulated unspent appreciation of $532,300 and $463,200	723,800	654,600
Total net assets with donor restrictions	$ 2,789,700	$ 2,594,700

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the years ended December 31, 2024 and 2023 as follows:

	2024	2023
Grant funds held for specific purposes	$ 147,700	$ 29,700
Funds released for awards, medals, and other specific purposes	89,900	9,000
	$ 237,600	$ 38,700

Donor-imposed endowment net assets at December 31, 2024 and 2023 consist of assets that have been restricted by donors to be invested in perpetuity to provide a permanent source of income. The Institute's donor-restricted endowment consists of eleven (11) individual funds established principally for awards.

On September 17, 2010, the State of New York passed the NYPMIFA, its version of the Uniform Prudent Management of Institutional Funds Act. All not-for-profit organizations formed in New York must apply this law. The Institute classifies as net assets with donor restrictions, 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.

In accordance with NYPMIFA, the Institute considers the following factors in making a determination to appropriate 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 Institute; and the investment policy of the Institute.

(Continued)

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENT FUNDS (Continued)

The Institute has adopted investment management and spending policies for its donor-restricted endowment assets which totaled $723,700 and $654,600 as of December 31, 2024 and 2023, respectively. This supports the objective of providing a sustainable and increasing level of donor-restricted endowment income distribution to support the Institute's activities while seeking to maintain the purchasing power of the endowment assets. The Institute's primary investment objective is to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs and ensure preservation of capital.

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy, the objective of which is to achieve a return consisting of a combination of current income 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 table summarizes the Institute's total return on donor-restricted endowment investments and the changes in donor-restricted endowment net assets for the years ended December 31, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	$ -	$ 723,800	$ 723,800
Endowment assets, beginning of year	$ -	$ 654,600	$ 654,600
Dividends and interest	-	23,100	23,100
Net realized and unrealized appreciation in fair value of endowment assets	-	54,400	54,400
Endowment return used for operations	-	(8,300)	(8,300)
Endowment assets, end of year	$ -	$ 723,800	$ 723,800

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 654,600	$ 654,600
Endowment assets, beginning of year	$ -	$ 600,200	$ 600,200
Dividends and interest	-	19,200	19,200
Net realized and unrealized appreciation in fair value of endowment assets	-	43,600	43,600
Endowment return used for operations	-	(8,400)	(8,400)
Endowment assets, end of year	$ -	$ 654,600	$ 654,600

(Continued)

NOTE 11 – LEASES

The Institute leases office space and certain equipment from third-party lessors under noncancellable leases. The following table summarizes the details for the Institute's operating and finance leases recorded on the consolidated statements of financial position as of December 31, 2024 and 2023.

	2024	
	Operating	Finance
Right-of-use lease assets	$ 7,784,800	$ 22,900
Lease liabilities	7,426,800	22,800
Weighted average remaining lease term	38 months	23 months
Weighted average discount rate	4.00%	3.50%

	2023	
	Operating	Finance
Right-of-use lease assets	$ 6,681,000	$ 34,600
Lease liabilities	6,614,000	34,600
Weighted average remaining lease term	22 months	72 months
Weighted average discount rate	3.58%	3.49%

The Institute's lease agreements do not provide an implicit rate, as such the Institute uses an estimated incremental borrowing rate, which is derived from third-party information available at the adoption date in determining the present value of lease payments. The rate used us the risk-free rate.

Fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. ROU assets are periodically evaluated for impairment.

The following table is a summary of the Institute's components of net lease cost, which is included in the operating leases and related expenses and depreciation and amortization within the consolidated statements of activities for the year ended December 31, 2024 and 2023:

	2024	2023
Operating lease costs	$ 1,810,700	$ 2,175,500
Finance lease cost		
Amortization of leased assets	11,700	11,300
Interest on lease liabilities	1,000	1,400
Variable lease cost	1,127,300	769,200
Total net lease costs	$ 2,950,700	2,957,400

(Continued)

NOTE 11 – LEASES (Continued)

The following table summarizes maturities of the Institute's operating and finance lease liabilities as of December 31, 2024, which reconciles to total lease liabilities included on the Institute's consolidated statement of financial position.

Year ending December 31,	Operating	Finance	Total
2025	$ 2,743,700	$ 11,600	$ 2,755,300
2026	1,466,500	6,100	1,472,600
2027	1,398,700	6,000	1,404,700
2028	1,432,800	-	1,432,800
2029	973,100	-	973,100
Thereafter	-	-	-
Total lease payments	8,014,800	23,700	8,038,500
Less: imputed interest	588,000	900	588,900
Total lease liabilities	7,426,800	22,800	7,449,600
Less: current lease liabilities	2,507,900	11,000	2,518,900
Long-term lease liabilities	$ 4,918,900	$ 11,800	$ 4,930,800

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Letters of Credit: At December 31, 2024 and 2023, the Institute had irrevocable standby letters of credit with Wells Fargo Bank, N.A., in the amount of $583,000, which serve as security deposits as required by the terms of its lease agreements with Three Park Avenue Building Company, LP and 2001 L Street, LLC, respectively.

At December 31, 2024 and 2023, the Institute issued standby letters of credit in relation to certain dealers' agreements and VAT tax payments totaling $1,442,900 and $1,063,100, respectively, with HSBC Bank USA, N.A. The Institute is charged 2% of the face amount, upon issuance, of the standby letters of credit.

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

(Continued)

NOTE 13 – RELATED – PARTY TRANSACTIONS

The Institute has transactions with IEEE Foundation. The Institute made cash contributions of $485,000 and $469,000 in 2024 and 2023, respectively, to the IEEE Foundation.

The IEEE Foundation has no staff and thus receives certain accounting and administrative services from IEEE. The IEEE Foundation reimbursed IEEE for the cost of such services, which amounted to approximately $1,249,500 and $1,043,400 during 2024 and 2023, respectively. The Institute provided in-kind fundraising administrative services (contributed services) during 2024 and 2023 that were not reimbursed by the IEEE Foundation, valued at approximately $ 1,901,600 and $1,603,400 during 2024 and 2023, respectively.

Contributed services are recognized as revenue by the IEEE 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 Institute held on deposit approximately $66,931,200 and $65,109,000 from the IEEE Foundation at December 31, 2024 and 2023, respectively, and is separately reported on the accompanying consolidated statements of financial position. The Institute invests these amounts on behalf of the IEEE Foundation. Receivables due from the IEEE Foundation include grants receivable of $1,957,000 and $1,528,500 at December 31, 2024 and 2023, respectively, and other receivables of approximately $340,200 and $137,900 at December 31, 2024 and 2023, respectively, and are included in accounts receivable on the accompanying consolidated statements of financial position. Amounts due to the IEEE Foundation of approximately $150,100 and $157,100 at December 31, 2024 and 2023, respectively, are included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.